

| | | | | | | | | | | |
|----|------------|-----|--|-------------|-----|-----|-------|-------|--------|--|
| | | | Binding ADR | William | | | | | | |
| | | | Activity: A104 Review/analyze Description: Settlement/Non-binding ADR Review/Analyze settlement document issues and correspondence re same / PUCT/Settlement Activities. Adjustment: 06/11/2019 - Amount adjusted by 41 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 8 | 05/10/2019 | Fee | L160 Settlement/Non-Binding ADR | Held, Mark | 410 | 15 | 30.75 | 30.75 | 584.25 | |
| | | | Activity: A103 Draft/revise Description: Settlement/Non-binding ADR Draft/Revise settlement documents / PUCT/Settlement Activities Adjustment: 06/11/2019 - Amount adjusted by 30.75 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 9 | 05/10/2019 | Fee | L160 Settlement/Non-Binding ADR | Coe William | 410 | 0.2 | 4.1 | 4.1 | 77.9 | |
| | | | Activity: A104 Review/analyze Description: Settlement/Non-binding ADR Review/Analyze settlement progress issues and correspondence re same / PUCT/Settlement Activities. Adjustment: 06/11/2019 - Amount adjusted by 41 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 10 | 05/13/2019 | Fee | L180 Other Case Assessment, Dev and Admin | Held, Mark | 410 | 0.2 | 4.1 | 4.1 | 77.9 | |
| | | | Activity: A103 Draft/revise Description: Other Case Assess/Develop/Admin Draft/Revise status report / PUCT Settlement Activities. Adjustment: 06/11/2019 - Amount adjusted by 41 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 11 | 05/13/2019 | Fee | L180 Other Case Assessment, Dev and Admin | Held, Mark | 410 | 0.3 | 6.15 | 6.15 | 116.85 | |
| | | | Activity: A106 Communicate (with client) Description: Other Case Assess/Develop/Admin Communicate with client S. Bankston re case status / PUCT/Settlement Activities Adjustment: 06/11/2019 - Amount adjusted by 6.15 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 12 | 05/13/2019 | Fee | L160 Settlement/Non-Binding ADR | Held, Mark | 410 | 0.5 | 10.25 | 10.25 | 194.75 | |
| | | | Activity: A103 Draft/revise Description: Settlement/Non-binding ADR Draft/Revise settlement documents / PUCT Settlement Activities Adjustment: 06/11/2019 - Amount adjusted by 10.25 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 13 | 05/15/2019 | Fee | L160 Settlement/Non-Binding ADR | Held, Mark | 410 | 0.3 | 6.15 | 6.15 | 116.85 | |
| | | | Activity: A108 Communicate (other external) Description: Settlement/Non-binding ADR Communicate with other external parties re settlement / PUCT/Settlement Activities Adjustment: 06/11/2019 - Amount adjusted by 6.15 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 14 | 05/15/2019 | Fee | L160 Settlement/Non-Binding ADR | Held, Mark | 410 | 0.6 | 12.3 | 12.3 | 233.7 | |
| | | | Activity: A104 Review/analyze Description: Settlement/Non-binding ADR Review/Analyze settlement documents / PUCT/Settlement Activities Adjustment: 06/11/2019 - Amount adjusted by 12.3 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 15 | 05/16/2019 | Fee | L160 Settlement/Non-Binding ADR | Held, Mark | 410 | 0.8 | 16.4 | 16.4 | 311.6 | |
| | | | Activity: A104 Review/analyze Description: Settlement/Non-binding ADR Review/Analyze settlement documents for filing / PUCT/Settlement Activities Adjustment: 06/11/2019 - Amount adjusted by 16.4 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 16 | 05/27/2019 | Fee | L160 Settlement/Non- | Coe | 410 | 0.2 | 4.1 | 4.1 | 77.9 | |

| | | | | | | | | | | |
|----|------------|---------|---|---------------|------|-----|------|------|--------|--|
| | | | Binding ADR | William | | | | | | |
| | | | Activity: A104 Review/analyze Description: Settlement/Non-binding ADR Review/Analyze settlement interim rate issues and correspondence re same / PUCT/Settlement Activities. Adjustment: 08/11/2019 - Amount adjusted by 4 1 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 17 | 05/28/2019 | Fee | L160 Settlement/Non-Binding ADR | Jones, Jackie | 140 | 0 1 | 0 7 | 0 7 | 13 3 | |
| | | | Activity: A108 Communicate (other external) Description: Settlement/Non-binding ADR Communicate with other external E Hurley, ALJ Bailey's assistant, re case status / PUCT/Settlement Activities. Adjustment: 08/11/2019 - Amount adjusted by 0 7 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 18 | 05/30/2019 | Fee | L160 Settlement/Non-Binding ADR | Held Mark | 410 | 0 3 | 6 15 | 6 15 | 116 85 | |
| | | | Activity: A104 Review/analyze Description: Settlement/Non-binding ADR Review/Analyze new SOAH order / PUCT Settlement Activities Adjustment: 08/11/2019 - Amount adjusted by 6 15 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 19 | 05/31/2019 | Fee | L140 Document/File Management | Jones, Jackie | 140 | 0 2 | 1 4 | 1 4 | 26 6 | |
| | | | Activity: A101 Plan and prepare for Description: Document/File Management Plan and prepare for PUC Staff re submission of settlement exhibits pursuant to SOAH Order No 9 PUCT/File and Document Management. Adjustment: 08/11/2019 - Amount adjusted by 1 4 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | |
| 20 | 05/13/2019 | Expense | E107 Delivery services/messengers | | 12 | 1 | 0 | 0 | 12 | |
| | | | Activity: Description: Delivery Services/Messengers Delivery Service from Public Utility Commission of TX/ status report | | | | | | | |
| 21 | 05/16/2019 | Expense | E107 Delivery services/messengers | | 12 | 1 | 0 | 0 | 12 | |
| | | | Activity: Description: Delivery Services/Messengers Delivery Service to Public Utility Commission of TX/ settlement agreement. | | | | | | | |
| 22 | 05/16/2019 | Expense | E101 Copying | | 0 04 | 408 | 0 | 0 | 16 24 | |
| | | | Activity: Description: Photocopies Photocopies - B&W - settlement agreement | | | | | | | |
| 23 | 05/16/2019 | Expense | E101 Copying | | 0 04 | 84 | 0 | 0 | 3 36 | |
| | | | Activity: Description: Photocopies Photocopies - B&W - settlement testimony. | | | | | | | |
| 24 | 05/16/2019 | Expense | E107 Delivery services/messengers | | 8 | 1 | 0 | 0 | 8 | |
| | | | Activity: Description: Delivery Services/Messengers Delivery Service from Public Utility Commission of TX/ settlement agreement | | | | | | | |

Completed Requests

| Item | Request Name | Requestor | Request Date | Completion Date | Comment | Outcome |
|-------------------------|-------------------------------|---------------------------------|--------------|---------------------|------------------|----------|
| 1 | Post Invoice for 4,142.30 USD | Duggins Wren Mann & Romero, LLP | 06/11/2019 | 06/12/2019 | | Approved |
| Approval History | | | | | | |
| | Stop | Performer | Activity | Date/Time | Internal Comment | |
| | 1 | Ryan, Rhonda C | Approved | 06/12/2019 10:21 AM | | |

81445

Header Information

Invoice Number: 31769
Vendor: Duggins Wren Mann & Romero LLP
Address: 800 Congress Ave Suite 1900 Austin, TX 78701 United States of America
Tax ID: 27-5110427
Invoice Date: 07/11/2019
Received Date: 07/11/2019
Project: AEPD055835-2018 SWEPCO TCRF
Posting Status: Posted

Billing Start Date: 08/05/2019
Billing End Date: 08/30/2019

Submitted Total: \$42
Submitted Currency: USD
Tax Rate: 0%
PS Voucher: 00081445
Approved Total: \$39.9

Invoice Summary

| Type | Rate x Units | Discount | AEP Disc | Adjustment | AEP Split | Tax | Amount |
|---------------|--------------|----------|----------|------------|-----------|-----|--------|
| Fees | 42 | 0 | 2.1 | 0 | 0 | 0 | 39.9 |
| Expenses | 0 | 0 | N/A | 0 | 0 | 0 | 0 |
| Invoice Total | 42 | 0 | 2.1 | 0 | 0 | 0 | 39.9 |

Line Items

| Item | Date | Type | Category | TK | Rate | Units | Disc | Adj | Amt |
|--|------------|------|---------------------------------|---------------|------|-------|------|-----|------|
| 1 | 08/05/2019 | Fee | L180 Settlement/Non-Binding ADR | Jones, Jackie | 140 | 0.1 | 0.7 | 0.7 | 13.3 |
| Activity: A108 Communicate (other external) Description: Settlement/Non-binding ADR Communicate with other external A. Petak, Commission Staff re exhibit issues. Adjustment: 07/11/2019 - Amount adjusted by 0.7 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | | | |
| 2 | 06/25/2019 | Fee | L140 Document/File Management | Jones, Jackie | 140 | 0.1 | 0.7 | 0.7 | 13.3 |
| Activity: A108 Communicate (other external) Description: Document/File Management Communicate with other external A. Petak re settlement exhibit issues / PUCT/Settlement Activities Adjustment: 07/11/2019 - Amount adjusted by 0.7 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | | | |
| 3 | 08/28/2019 | Fee | L160 Settlement/Non-Binding ADR | Jones, Jackie | 140 | 0.1 | 0.7 | 0.7 | 13.3 |
| Activity: A108 Communicate (other external) Description: Settlement/Non-binding ADR Communicate with other external Commission Staff re exhibit issues Adjustment: 07/11/2019 - Amount adjusted by 0.7 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | | | |

Completed Requests

| Item | Request Name | Requestor | Request Date | Completion Date | Comment | Outcome |
|------------------|----------------------------|---------------------------------|--------------|---------------------|------------------|----------|
| 1 | Post Invoice for 39.90 USD | Duggins Wren Mann & Romero, LLP | 07/11/2019 | 07/12/2019 | | Approved |
| Approval History | | | | | | |
| | Stop | Performer | Activity | Date/Time | Internal Comment | |
| | 1 | Ryan, Rhonda C | Approved | 07/12/2019 11:22 AM | | |

81915

Header Information

Invoice Number: 31945
Vendor: Duggins Wren Mann & Romero, LLP
Address: 800 Congress Ave Suite 1900, Austin TX, 78701, United States of America
Tax ID: 27-5110427
Invoice Date: 08/13/2019
Received Date: 08/13/2019
Project: AEPD055835-2018 SWEPCO TCRF
Posting Status: Posted

Billing Start Date: 07/10/2019
Billing End Date: 07/31/2019

Submitted Total: \$903
Submitted Currency: USD
Tax Rate: 0%
PS Voucher: 00081915
Approved Total: \$839.79

Invoice Summary

| Type | Rate x Units | Discount | AEP Disc | Adjustment | AEP Split | Tax | Amount |
|---------------|--------------|----------|----------|------------|-----------|-----|--------|
| Fees | 903 | 0 | 83.21 | 0 | 0 | 0 | 839.79 |
| Expenses | 0 | 0 | N/A | 0 | 0 | 0 | 0 |
| Invoice Total | 903 | 0 | 83.21 | 0 | 0 | 0 | 839.79 |

Line Items

| Item | Date | Type | Category | TK | Rate | Units | Disc | Adj | Amt |
|------|---|------|---|---------------|------|-------|-------|-------|--------|
| 1 | 07/10/2019 | Fee | L480 Post-Trial Motions and Submissions | Jones Jackie | 140 | 0.1 | 0.98 | 0.98 | 13.02 |
| | Activity: A108 Communicate (other external) | | | | | | | | |
| | Description: Post-Trial Motions and Submissions Communicate with other external A. Petak, Commission Staff re submission of settlement exhibit issues. | | | | | | | | |
| | Adjustment: 08/13/2019 - Amount adjusted by 0.98 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 7% discount to vendor fees per billing discount agreement | | | | | | | | |
| 2 | 07/11/2019 | Fee | L480 Post-Trial Motions and Submissions | Jones, Jackie | 140 | 0.1 | 0.98 | 0.98 | 13.02 |
| | Activity: A103 Draft/revise | | | | | | | | |
| | Description: Post-Trial Motions and Submissions Draft/Revise cover letter to accompany settlement exhibit submission to Central Records | | | | | | | | |
| | Adjustment: 08/13/2019 - Amount adjusted by 0.98 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 7% discount to vendor fees per billing discount agreement | | | | | | | | |
| 3 | 07/11/2019 | Fee | L480 Post-Trial Motions and Submissions | Jones, Jackie | 140 | 0.1 | 0.98 | 0.98 | 13.02 |
| | Activity: A108 Communicate (other external) | | | | | | | | |
| | Description: Post-Trial Motions and Submissions Communicate with other external Commission Staff re settlement exhibit submission issues | | | | | | | | |
| | Adjustment: 08/13/2019 - Amount adjusted by 0.98 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 7% discount to vendor fees per billing discount agreement | | | | | | | | |
| 4 | 07/18/2019 | Fee | L530 Oral Argument | Held, Mark | 410 | 1.1 | 31.57 | 31.57 | 418.43 |
| | Activity: A101 Plan and prepare for | | | | | | | | |
| | Description: Oral Argument Plan and prepare for Open Meeting - PUCT/PUCT Open Meetings | | | | | | | | |
| | Adjustment: 08/13/2019 - Amount adjusted by 31.57 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 7% discount to vendor fees per billing discount agreement | | | | | | | | |
| 5 | 07/18/2019 | Fee | L530 Oral Argument | Held, Mark | 410 | 1 | 28.7 | 28.7 | 381.3 |
| | Activity: A109 Appear for/attend | | | | | | | | |
| | Description: Oral Argument Appear for/attend Open Meeting - PUCT PUCT Open Meetings | | | | | | | | |
| | Adjustment: 08/13/2019 - Amount adjusted by 28.7 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 7% discount to vendor fees per billing discount agreement | | | | | | | | |

Completed Requests

| Item | Request Name | Requestor | Request Date | Completion Date | Comment | Outcome |
|------------------|-----------------------------|---------------------------------|--------------|---------------------|------------------|----------|
| 1 | Post Invoice for 839.78 USD | Duggins Wren Mann & Romero, LLP | 08/13/2019 | 08/19/2019 | | Approved |
| Approval History | | | | | | |
| | Step | Performer | Activity | Date/Time | Internal Comment | |
| | 1 | Ryan, Rhonda C | Approved | 08/19/2019 09:31 AM | | |

49042

EMPLOYEE EXPENSES

2339604
2339605

ORACLE Expense Report

PeopleSoft Expenses EXC4500

| | |
|-------------------------------|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000726208 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF | |

488917529184250741623647

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|---|------------------------|------------------|------------|---------------------|--------------------|---------------|----------|
| Description | Additional Information | | | Merchant | | Location | |
| 12/17/2018 | Meals - Self | | | BANK CARD | 8.77 USD | 1.00 | 6.77 USD |
| Meal during travel to Austin to finalize, review and produce SWEPCO TCRF filing package. Filed with PUC on 12/18/18 | | | | IN N OUT BURGER 275 | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 8.77 | 103 | 13534 | STCR194C01 | LEGAL | ECON18181 | 9280002 | 520 | 286 | | TX | | |

| | | | | | | | |
|--|--------------|--|--|-------------------|-----------|------|-----------|
| 12/18/2018 | Meals - Self | | | BANK CARD | 33.35 USD | 1.00 | 33.35 USD |
| Dinner in Austin to finalize, review and produce SWEPCO TCRF filing package. Filed with PUC on 12/18/18. | | | | EDDIE V'S 0178501 | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 33.35 | 103 | 13534 | STCR194C01 | LEGAL | ECON18181 | 9280002 | 520 | 286 | | TX | | |

| | | | | | | | |
|--|------------------------|--|--|----------------|----------|------|----------|
| 12/18/2018 | Transportation - Other | | | BANK CARD | 2.28 USD | 1.00 | 2.28 USD |
| Beverage (coke) in Austin to finalize, review and produce SWEPCO TCRF filing package. Filed with PUC on 12/18/18 | | | | 7-ELEVEN 12706 | | | |

| | | | | | | |
|----------------|------------|-----------------|---------|---------------|------------|-------------|
| Employee Phone | Department | Entered By user | Receipt | Creation Date | Print Date | Page Number |
| | 13534 | STSO258 | | 12/27/2018 | 1/4/2019 | Page 1 of 4 |

ORACLE Expense Report

PeopleSoft Expenses EXC4500

| | |
|-------------------------------|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000726208 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF | |

488917529184250741623647

Expense Lines

| Date | Expense Type | Non- Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|-------------|------------------------|----------------------|------------|--------------|--------------------|---------------|--------|
| Description | Additional Information | | | Merchant | Location | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | WFO | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|----------|-------|------------|-------|------------|---------|-------------------|---------|---------|-------|---------|-----------|
| 2.28 | 103 | 13534 | STCR194C01 | LEGAL | ECON018181 | 9280002 | 510 | 286 | | TX | | |

| | | | | | | | |
|---|------------|--|--|------------------------|------------|------|------------|
| 12/18/2018 | Hotel-Room | | | BANK Card | 314.82 USD | 1.00 | 314.82 USD |
| Hotel during travel to Austin to finalize review and produce SWEPCO TCRF filing package. Filed with PUC on 12/18/18 | | | | DOUBLETREE SUITES ASTN | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | WFO | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|----------|-------|------------|-------|------------|---------|-------------------|---------|---------|-------|---------|-----------|
| 314.82 | 103 | 13534 | STCR194C01 | LEGAL | ECON018181 | 9280002 | 510 | 286 | | TX | | |

| | | | | | | | |
|--|-----------------------------------|--|--|-----------------|-----------|------|-----------|
| 12/19/2018 | Transportation-Rental Car-Fuel | | | BANK Card | 26.08 USD | 1.00 | 26.08 USD |
| Gas for rental car during travel to Austin to finalize, review and produce SWEPCO TCRF filing package. Filed with PUC on 12/19/18. | | | | QT 943 08009433 | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | WFO | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|----------|-------|------------|-------|------------|---------|-------------------|---------|---------|-------|---------|-----------|
| 26.08 | 103 | 13534 | STCR194C01 | LEGAL | ECON018181 | 9280002 | 510 | 286 | | TX | | |

| | | | | | | |
|----------------|---------------------|----------------------------|---------|-----------------------------|------------------------|----------------------------|
| Employee Phone | Department 13534 | Entered By user STSO258 | Receipt | Creation Date 12/27/2018 | Print Date 1/4/2019 | Page Number Page 2 of 4 |
|----------------|---------------------|----------------------------|---------|-----------------------------|------------------------|----------------------------|

ORACLE Expense Report

PeopleSoft Expenses EXC4500

| | |
|-------------------------------|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000726208 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF | |

488917529184250741623647

Expense Lines

| Date | Expense Type | Non- Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|-------------|------------------------|----------------------|------------|--------------|--------------------|---------------|--------|
| Description | Additional Information | | | Merchant | Location | | |

| | | | | | | | |
|--|------------------------|--|--|-----------|-----------|------|-----------|
| 12/19/2018 | Transportation - Valet | | | BANK Card | 50.00 USD | 1.00 | 50.00 USD |
| Valet parking 2 nights at Hotel during travel to Austin to finalize, review and produce SWEPCO TCRF filing package. Filed with PUC on 12/19/18 | | | | | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | WFO | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|----------|-------|------------|-------|------------|---------|-------------------|---------|---------|-------|---------|-----------|
| 50.00 | 103 | 13534 | STCR194C01 | LEGAL | EON018181 | 9280002 | 510 | 266 | | TX | | |

| | | | | | | | |
|---|--------------|--|--|------------------------------|-----------|------|-----------|
| 12/18/2018 | Meals - Self | | | Out of Pocket | 10.58 USD | 1.00 | 10.58 USD |
| Meal during travel back from Austin to finalize, review and produce SWEPCO TCRF filing package. Filed with PUC on 12/19/18. | | | | | | | |
| | | | | Rudy's Country Store and BBQ | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | WFO | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|----------|-------|------------|-------|------------|---------|-------------------|---------|---------|-------|---------|-----------|
| 10.58 | 103 | 13534 | STCR194C01 | LEGAL | EON018181 | 9280002 | 520 | 266 | | TX | | |

| | | | | | | | |
|------------|-------------------|--|--|---------------|-----------|------|-----------|
| 12/19/2018 | Tips & Gratuities | | | Out of Pocket | 10.00 USD | 1.00 | 10.00 USD |
|------------|-------------------|--|--|---------------|-----------|------|-----------|

| | | | | | | |
|----------------|---------------------|----------------------------|---------|-----------------------------|------------------------|----------------------------|
| Employee Phone | Department 13534 | Entered By user STSO258 | Receipt | Creation Date 12/27/2018 | Print Date 1/4/2019 | Page Number Page 3 of 4 |
|----------------|---------------------|----------------------------|---------|-----------------------------|------------------------|----------------------------|

ORACLE Expense Report

PeopleSoft Expenses EXC4500

| | |
|-------------------------------|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000726208 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF | |

488917529184250741623647

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|---|--------------|------------------|------------------------|--------------|--------------------|---------------|----------|
| Description | | | Additional Information | | Merchant | | Location |
| Tipe at hotel (baggage and valet) during to Austin to finalize review and produce SWEPCO TCRF filing package. Filed with PUC on 12/19/18. | | | | | Doubletree Hotel | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | AmB Date |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|----------|
| 10.00 | 103 | 13334 | STCR194C01 | LEGAL | EON018181 | 9280002 | 510 | 288 | | TX | | |

| | |
|--------------------------------|------------|
| Employee Expenses | 453.66 USD |
| Cash Advances Applied | 0.00 USD |
| Personal Expenses | 0.00 USD |
| Corporate Charge Card Credits | 0.00 USD |
| Corporate Charge Card Expenses | 433.08 USD |
| Amount Due to Employee | 20.58 USD |

| | | | | | | |
|----------------|---------------------|----------------------------|---------|-----------------------------|------------------------|----------------------------|
| Employee Phone | Department 13534 | Entered By user STSO258 | Receipt | Creation Date 12/27/2018 | Print Date 1/4/2019 | Page Number Page 4 of 4 |
|----------------|---------------------|----------------------------|---------|-----------------------------|------------------------|----------------------------|



DOUBLETREE SUITES BY HILTON AUSTIN
 303 WEST 15TH
 AUSTIN, TX 78701
 United States of America
 TELEPHONE 512-478-7000 • FAX 512-478-3562
 Reservations
 www.doubletree.com or 1-800-222-TREE

BANKSTON STACY
 2728 HOOD ST APT 720
 STE 4100
 DALLAS TX 75219
 UNITED STATES OF AMERICA

Room No: 414/NK1K
 Arrival Date: 12/17/2018 12 28 00 PM
 Departure Date: 12/19/2018 12 39 00 PM
 Adult/Child: 1/0
 Cashier ID: CLRUDOLPH
 Room Rate: 135 00
 AL: AA 95NF610
 HH #: 379669455 BLUE
 VAT #:
 Folio No/Che: 799758 A

Confirmation Number: 91856368

DOUBLETREE SUITES BY HILTON AUSTIN 12/19/2018 12:38:00 PM

| DATE | REF NO | DESCRIPTION | CHARGES |
|-------------|---------|---------------------|------------|
| 12/17/2018 | 4297041 | VALET PARKING - 014 | \$25 00 |
| 12/17/2018 | 4297041 | SALES TAX | \$2 06 |
| 12/17/2018 | 4297042 | GUEST ROOM | \$135 00 |
| 12/17/2018 | 4297042 | STATE TAX | \$8 10 |
| 12/17/2018 | 4297042 | CITY TAX | \$12 15 |
| 12/18/2018 | 4297599 | VALET PARKING - 014 | \$25 00 |
| 12/18/2018 | 4297599 | SALES TAX | \$2 06 |
| 12/18/2018 | 4297600 | GUEST ROOM | \$135 00 |
| 12/18/2018 | 4297600 | STATE TAX | \$8 10 |
| 12/18/2018 | 4297600 | CITY TAX | \$12 15 |
| 12/19/2018 | 4297852 | MC *8721 | (\$364 62) |
| **BALANCE** | | | \$0 00 |

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EXHIBIT 2
12/19/2018

Transaction Review Utility

Journal Review Report

| Sub Department | Description | Quantity | Amount |
|-------------------------|--------------------------------|--------------------|----------------|
| Date: 12/19/2018 | Time: 20:27:06 | Register: 3 | |
| 26 | CRIND Gas Sales - Crind | 1 | \$26.08 |
| | Grade: UNLEADED | | |
| | Pump: 1 | | |
| | Gallons: 13.882 | | |
| | PPU: \$1.879/Gal. | | |
| | | | |
| | Sub Total | | \$26.08 |
| | Tax | | \$0.00 |
| | Total | | \$26.08 |
| | | | |
| MasterCard Fleet | xxxxxxxxxxxx6721 | | 26.08 ✓ |
| | Exp Date: 1908 | | |
| | Auth Code: 093673 | | |

Search Parameters:

Transaction Date Between 12/17/2018 00:00:00 and 12/20/2018 14:28:39

Check Closed

Liddle Vs Prime Seafood
301 East 5th Street
Austin 1 78701

Check # 11954-8501

Table 78

DEC 17 10 PM 12/17/2018
Transaction # 108560086

RID: A200D000041010
TC: 0363646F6E2AA7C7
App Name/label: MASTERCARD
Card Verification Signature
Trans DataSource: Chip

Card Number Auth Code
6010XXXXXX46721 028868
Master card

check Amount 28 15

11 p.m.

total

Member agrees to pay for
services in accordance with agreement governing
use of such card

ORACLE Expense Report

Exhibit LFN-2
Page 127 of 156

PeopleSoft Expenses EXC4500

2366313

| | |
|--|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000748792 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF - Prehearing Conf | |

488917728382059585228474

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|---|-------------------------------|------------------|------------|----------------|--------------------|---------------|----------|
| Description | Additional Information | | | Merchant | | Location | |
| 01/22/2019 | Transportation - Parking Fees | | | BANK CARD | 9.00 USD | 1.00 | 9.00 USD |
| Parking vehicle while in Austin to participate in the pre-hearing conference at the PUCT (1-22-19) for SWEPCO's TCRF case | | | | UT PARKING GUG | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 9.00 | 103 | 13534 | SYCR194001 | LEGAL | ECON18181 | 9280002 | 510 | 286 | | TX | | |

| | | | | | | | |
|---|--------------------------------|--|--|----------------|-----------|------|-----------|
| 01/22/2019 | Transportation-Rental Car-Fuel | | | BANK CARD | 28.64 USD | 1.00 | 28.64 USD |
| Fuel for travel from Dallas to Austin to participate in the pre-hearing conference at the PUCT (1-22-19) for SWEPCO's TCRF case | | | | TIGER MART #64 | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 28.64 | 103 | 13534 | SYCR194001 | LEGAL | ECON18181 | 9280002 | 510 | 286 | | TX | | |

| | | | | | | | |
|--|--------------------------------|--|--|-----------------|-----------|------|-----------|
| 01/22/2019 | Transportation-Rental Car-Fuel | | | BANK CARD | 28.57 USD | 1.00 | 28.57 USD |
| Fuel for travel from Austin back to Dallas to participate in the pre-hearing conference at the PUCT (1-22-19) for SWEPCO's TCRF case | | | | QT 943 08009433 | | | |

| | | | | | | |
|----------------|------------|-----------------|---------|---------------|------------|-------------|
| Employee Phone | Department | Entered By user | Receipt | Creation Date | Print Date | Page Number |
| | 13534 | STSO258 | | 02/21/2019 | 3/27/2019 | Page 1 of 3 |

ORACLE Expense Report

PeopleSoft Expenses EXC4500

| | |
|--|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000748792 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF - Prehearing Conf | |

488917728382059585228474

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|-------------|------------------------|------------------|------------|--------------|--------------------|---------------|--------|
| Description | Additional Information | | | | Merchant | Location | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 28.57 | 103 | 13534 | STCR194C01 | LEGAL | EON018181 | 9280002 | 510 | 286 | | TX | | |

| | | | | | | | | | |
|---|--------------|--|--|--|-----------|----------------------|------|--|----------|
| 01/22/2019 | Meals - Self | | | | BAML Card | 3.56 USD | 1.00 | | 3.56 USD |
| Breakfast while traveling to Austin to participate in the pre-hearing conference at the PUCT (1-22-19) for SWEPCO's TCRF case | | | | | | JACK IN THE BOX 4779 | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 3.56 | 103 | 13534 | STCR194C01 | LEGAL | EON018181 | 9280002 | 520 | 286 | | TX | | |

| | |
|--------------------------------|-----------|
| Employee Expenses | 69.77 USD |
| Cash Advances Applied | 0.00 USD |
| Personal Expenses | 0.00 USD |
| Corporate Charge Card Credits | 0.00 USD |
| Corporate Charge Card Expenses | 69.77 USD |

| | | | | | | |
|----------------|------------|-----------------|---------|---------------|------------|-------------|
| Employee Phone | Department | Entered By user | Receipt | Creation Date | Print Date | Page Number |
| | 13534 | STSO258 | | 02/21/2019 | 3/27/2019 | Page 2 of 3 |

ORACLE Expense Report

PeopleSoft Expenses EXC4500

| | |
|--|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000748792 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF - Prehearing Conf | |

488917728382059585228474

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|------------------------|--------------|------------------|------------------------|--------------|--------------------|---------------|----------|
| Description | | | Additional Information | | Merchant | | Location |
| Amount Due to Employee | | | | | | | 0.00 USD |



DRIVE THRU # 105

0 (972) 228 5679
22 2019

0.12 1.19
0.25 1.19
0.75 1.19

Sausage (1/2 lb) 1.19

PIZZA JUMBO JACK JR SUPREME CROISSA
GET SOME FREE!

WHEN YOU TAKE OUT A BURGER

1) Enter 7 days

www.JackintheBox.com

Call 1 850 876 146

2) Enter

14 digit code: 857 177 004 650 1-

of service 7/22/19

Time of Service 11:38

Time of Service 11:38

Coupon code 825

Get this code on your next visit

The coupon per guest visit. Not valid for other offers. \$0.00 on all items.
Offer is valid 7 days after survey completion.

Disponible en español

Call total

1.0

Super Mart #4
7100 S. Rl 1 Hwy
Dallas TX 75232

Super Mart #4, 64
7100 S. Rl 1 Hwy
Dallas TX 75232

07/22/19 5:20:50 AM
Driver: 1 Trans # 350 Op ID 11
Your cashier: MONTE

*** REPRISE *** REPRISE ***

*** REPRISE *** REPRISE ***

0.20 0.12
0.20 0.12
0.20 0.12

Subtotal \$21.99

Total \$21.99

*** REPRISE *** REPRISE ***

Change due \$0.00

\$21.99

Thank you for
your visit!
We appreciate your
business!

QUIKTRIP #00943
98618
Waxahachie, TX

Invoice # 0000000
Date 07/22/19
Time 05:01PM
Auth # 060097

Acct #
*****6721

| Pump | Gallons | Price |
|------|---------|---------|
| 05 | 14.291 | \$1.999 |

| Product | Amount |
|------------|---------|
| UNLEADED | \$28.57 |
| Total Sale | \$28.57 |

Thank You for
Shopping QuikTrip!
Please Come Back
Again!

2386238

PeopleSoft Expenses EXC4500

Expense Report

488917890233564232554265

| | |
|--|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000767103 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF - Prehearing Conf | |

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|---|-----------------------------|------------------|------------|-----------------------|--------------------|---------------|-----------|
| Description | Additional Information | | | Merchant | Location | | |
| 03/14/2019 | Transportation - Rental Car | | | BANK CARD | 75.16 USD | 1.00 | 75.16 USD |
| Rental car expense (2 days) for travel to and from Austin for prehearing conference mtg. for SWEPCO TCRF. Expense for business travel separated from total Enterprise bill. | | | | ENTERPRISE RENT-A-CAR | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 75.16 | 103 | 13534 | STCR164C01 | LEGAL | ECON16161 | 9280002 | 510 | 286 | | TX | | |

| | | | | | | | |
|--|-----------------------------|-------------------------------------|--|-----------------------|--------------|------|--------------|
| 02/20/2019 | Transportation - Rental Car | <input checked="" type="checkbox"/> | | BANK CARD | 1,224.49 USD | 1.00 | 1,224.49 USD |
| Charged incorrectly by Enterprise, amt reversed (below). Rental car used for both personal & business use. Company should have charged this amt to empl card & \$75.16 to AEP card. Opposite occurred, charges corrected (reversed), accurate now. | | | | ENTERPRISE RENT-A-CAR | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|----------|-------|-------|-----|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 1,224.49 | 103 | 13534 | | | | 1640063 | | | | | | |

| | | | | | | | |
|------------|-----------------------------|-------------------------------------|--|-----------|---------------|------|---------------|
| 03/20/2019 | Transportation - Rental Car | <input checked="" type="checkbox"/> | | BANK CARD | -1,224.49 USD | 1.00 | -1,224.49 USD |
|------------|-----------------------------|-------------------------------------|--|-----------|---------------|------|---------------|

| | | | | | | |
|----------------|------------|-----------------|---------|---------------|------------|-------------|
| Employee Phone | Department | Entered By user | Receipt | Creation Date | Print Date | Page Number |
| | 13534 | STSO258 | | 03/29/2019 | 5/30/2019 | Page 1 of 2 |

Expense Report

PeopleSoft Expenses EXC4500

| | |
|--|-------------------------------------|
| Employee Bankston, Stacy L | Report 0000767103 |
| Reference | Business Purpose Business Travel |
| Description SWEPCO TCRF - Prehearing Conf | |

488917890233564232554265

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|---|--------------|------------------|------------------------|--------------|-----------------------|---------------|----------|
| Description | | | Additional Information | | Merchant | | Location |
| Reversal of rental expense charged incorrectly by Enterprise. Rental car used for both personal & business use. Company should have charged \$1 221 to employee card & \$75 18 to AEP card. Opposite occurred, charges corrected (reversed) accurate now. | | | | | ENTERPRISE RENT-A-CAR | | |

Accounting Distribution Information

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|----------|-------|-------|-----|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| -1224.49 | 103 | 13534 | | | | 1840063 | | | | | | |

| | |
|--------------------------------|-----------|
| Employee Expenses | 75.16 USD |
| Cash Advances Applied | 0.00 USD |
| Personal Expenses | 0.00 USD |
| Corporate Charge Card Credits | 0.00 USD |
| Corporate Charge Card Expenses | 75.16 USD |
| Amount Due to Employee | 0.00 USD |

| | | | | | | |
|----------------|---------------------|----------------------------|---------|-----------------------------|-------------------------|----------------------------|
| Employee Phone | Department 13534 | Entered By user STSO258 | Receipt | Creation Date 03/29/2019 | Print Date 5/30/2019 | Page Number Page 2 of 2 |
|----------------|---------------------|----------------------------|---------|-----------------------------|-------------------------|----------------------------|

AN HOLDINGS, LLC, 2820 OAKLAWN AVENUE, DALLAS, TX 752194128 (214) 522-0395

RENTAL AGREEMENT REF#
51111 4HH2HR

SUMMARY OF CHARGES

ENTER
ANALYST NAME

DATE & TIME OUT
1/4/2019 05:49 PM
DATE & TIME IN
2/20/2019 02:25 PM

ILLING CYCLE
4 HOUR

AR CLASS CHARGED
FAR

| Charge Description | Date | Quantity | Per | Rate | Total |
|-----------------------------------|---------------|----------|------|----------|-------------------|
| TIME & DISTANCE | 01/04 - 02/20 | 7 | WEEK | \$161.65 | \$1,131.55 |
| REFUELING CHARGE | 01/04 - 02/20 | | | | \$0.00 |
| Subtotal: | | | | | \$1,131.55 |
| Taxes & Surcharges | | | | | |
| TX MOTOR VEHICLE RENTAL TAX | 01/04 - 02/20 | | | 6.25% | \$76.45 |
| VLF REC | 01/04 - 02/20 | 47 | DAY | \$1.95 | \$91.65 |
| Total Charges: | | | | | \$1,299.65 |
| Bill-To / Deposits | | | | | |
| DEPOSITS | | | | | (\$1,299.65) |
| Total Estimated Amount Due | | | | | \$0.00 |

EH #1 2019 JEEP CHER 01P4
IN# 10 PIMLB5KD181172
IC# FR402U
ILES DRIVEN 2047
AR CLASS CHARGED

PAYMENT INFORMATION

| AMOUNT PAID | TYPE | CREDIT CARD NUMBER |
|-------------|------------|--------------------|
| \$75.16 | Visa | XXXXXXXXXX 8975 |
| \$1,224.49 | Mastercard | XXXXXXXXXX 6721 |



OAKLAWN AVENUE
AS, TX 75219-4128

Rental Agreement #:
Bill Ref #:
Invoice Date:
Account #:

Exhibit LFN-2
Page 134 of 156
4HH2HR
9500-3153-8640
03/2019

BILLING DETAIL

| Description | Qty/Per | Rate | Amount |
|-----------------|---------|--------|----------|
| TIME & DISTANCE | 7 WK | 161.65 | 1,131.55 |
| TIME & DISTANCE | 1 RNT | 0.01 | 0.01 |

Subtotal 1,131.56

TX MOTOR VEHICLE RENTAL TAX 6 PCT 6.25 76.45

VLF REC 47 DAY 1.95 91.65

Total Charges (USD) 1,299.66

PAYMENTS

Payment Master Card 75.16

Payment Visa 1,224.49

Refunds Master Card 22.49

Refunds Visa 75.15

Payment Visa 75.16 ✓

Payment Master Card 224.49

Total Payments (USD) -1,299.6

Amount Due (USD) 0.00

dividual item charges such as initial rates for Time and Distance, percentage based charges
e.g. sales taxes and fees or surch (ges), and charges for per day term (multiple days may be
deducted up or down a whole cent to ensure that the charges equal the actual Total Amount Due
and/or to avoid fractional cents

TO

BANKSTON
OOD ST 720
13

S, TX 75219

PAID INFORMATION

Time Out
019 05 49 PM

Date/Time In
02/20/2019 02:25 PM

r

ON STACY

PAID VEHICLES

| License | Model | Unit | Miles/Kms Out In |
|------------------|-------|--------|---------------------|
| ED FR4V2U | CHER | 7QR90R | 25,711 17,958 |
| C4PJM 65KD 81 72 | | | |

PAID INFORMATION

PO# / RO#

Insured

of Loss Type of Loss Type of Vehicle

Repair Shop

For Billing Inquiries / Payment Terms :

Tel#: 9725364101

09DDARADMIN@EHI.COM

Payment Due within 15 days of invoice date

Late payments are subject to a finance charge.

Thank You For Choosing Enterprise

Please Return This Portion With Remittance

Amount Due (USD)

0.00

Out To:

ENTERPRISE RENT-A-CAR
NORTH STATE HIGHWAY 161
E 50
VC TX 75038

Paid By:

STACY BANKSTON

Tax Id: 23 40866*E

Account #

Rental Agreement
4HH2HR

Amount
0.00

GPBR
09D6

ORACLE Expense Report

PeopleSoft Expenses EXC4500

2361087

| | |
|------------------------------------|---|
| Employee Stewien Carol J | Report 0000745351 |
| Reference | Business Purpose Miscellaneous Business Expense |
| Description Parking validations | |

488917698262329274496509

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|---|-------------------------------|------------------|------------|-----------------------|--------------------|---------------|-----------|
| Description | Additional Information | | | Merchant | | Location | |
| 02/09/2019 | Transportation - Parking Fees | | | BANK CARD | 36.00 USD | 1.00 | 36.00 USD |
| Parking validations for the Austin office | | | | SPPLUS/CENTRALPARKING | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | WFO | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Affiliate |
|--------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|-----------|
| 12.00 | 211 | 11524 | UTEXRC1801 | LEGAL | EON018181 | 9280002 | 510 | 280 | | TX | | |
| 12.00 | 103 | 13168 | X118852001 | WSOTH | WINDRENEW | 1830000 | 510 | 263 | | | | |
| 12.00 | 194 | 12415 | UTCRI94C01 | LEGAL | EON018181 | 9280002 | 510 | 286 | | TX | | |

| | |
|--------------------------------|-----------|
| Employee Expenses | 36.00 USD |
| Cash Advances Applied | 0.00 USD |
| Personal Expenses | 0.00 USD |
| Corporate Charge Card Credits | 0.00 USD |
| Corporate Charge Card Expenses | 36.00 USD |
| Amount Due to Employee | 0.00 USD |

| | | | | | | |
|----------------|------------|-----------------|---------|---------------|------------|-------------|
| Employee Phone | Department | Entered By user | Receipt | Creation Date | Print Date | Page Number |
| | 13168 | S136841 | | 02/14/2019 | 3/27/2019 | Page 1 of 1 |

2451340

ORACLE Expense Report

PeopleSoft Expenses EXC4500

Employee
Stewien, Carol J

Report
0000836323

488918508273473549967234

Reference

Business Purpose
Miscellaneous Business
Expense

Description
Parking validations

Expense Lines

| Date | Expense Type | Non Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|---|-------------------------------|---------------------|------------|------------------------|--------------------|---------------|-----------|
| Description | Additional Information | | | Shortcut | | Location | |
| 08/07/2019 | Transportation - Parking Fees | | | RAML Card | 91.00 USD | 1.00 | 91.00 USD |
| Parking validations for the Austin Office | | | | SPPLUS/CENTRAL PARKING | | | |

Accounting Distribution Information:

| Amount | GL BU | DEPT | W/O | PC BU | Project Id | Account | Cost Component | ABM Act | Sub-Cat | State | Product | Article |
|---------|-------|-------|------------|-------|------------|---------|----------------|---------|---------|-------|---------|---------|
| 6.00 | 211 | 11524 | JTEXRC1801 | LECA | E000018181 | 9280002 | 510 | 280 | | TX | | |
| 5.00 | 211 | 11524 | G0000161 | LECA | LEGANDA | 9210001 | 510 | 286 | | | | |
| 24.00 | 211 | 11524 | G0001387 | LECA | LEGANDA | 9210001 | 510 | 286 | | | | |
| 24.00 | 109 | 10425 | 4248456002 | TRAIL | 914128002 | 1070001 | 510 | 173 | | | | |
| 19.00 | 211 | 11524 | G0001455 | LECA | LEGANDA | 9210001 | 510 | 286 | | | | |
| 12.00 ✓ | 194 | 12415 | UIC0194C01 | LECA | LEGANDA | 9280002 | 510 | 286 | | TX | | |

| | | | | | | |
|-------------------------------|------------|-----------------|---------|---------------|------------|-------------|
| Employee Expenses | | | | | | 91.00 USD |
| Cash Advances Applied | | | | | | 0.00 USD |
| Personal Expenses | | | | | | 0.00 USD |
| Corporate Charge Card Credits | | | | | | 0.00 USD |
| Employee Phone | Department | Entered By user | Receipt | Creation Date | Print Date | Page Number |
| 3168 | | 513681 | | 09/05/2019 | 9/28/2019 | Page 1 of 1 |

ORACLE Expense Report

PeopleSoft Expenses EXC4500

| | |
|------------------------------------|---|
| Employee Stewien, Carol J | Report 0000836323 |
| Reference | Business Purpose Miscellaneous Business Expense |
| Description Parking validations | |

488918508273473549967234

Expense Lines

| Date | Expense Type | Non-Reimbursable | No Receipt | Payment Type | Transaction Amount | Exchange Rate | Amount |
|--------------------------------|--------------|------------------|------------------------|--------------|--------------------|---------------|-----------|
| Description | | | Additional Information | | Merchant | | Location |
| Corporate Charge Card Expenses | | | | | | | 91.00 USD |
| Amount Due to Employee | | | | | | | 0.00 USD |

| | | | | | | |
|----------------|------------|-----------------|---------|---------------|------------|-------------|
| Employee Phone | Department | Entered By User | Receipt | Creation Date | Print Date | Page Number |
| 13163 | | 5136841 | | 09/05/2019 | 8/23/2020 | Page 2 of 2 |

49042

OTHER

Exhibit LFN-2
Page 3 of 56
207760

TEXAS PRESS SERVICE INC.

Affiliated with Texas Press Association
8800 Business Park Drive #100
Austin, Texas 78759

TEXAS PRESS SERVICE

Phone: 512-477-6755 Fax: 512-477-6759

INVOICE

March 07, 2019

Order: 19025AA0

Invoice# 14768

| | |
|----------------------------|-------------------|
| Attn: Stacy Bankston | |
| AEP TEXAS | |
| Corporate Communications | |
| 400 W. 15th St., Ste. 1600 | |
| Austin, Texas 78701 | |
| Voice: 512-391-2970 | Fax: 512-391-2965 |
| Email: lajones@aep.com | |

Advertiser: AEP TEXAS
P O #: Docket No. 49042
Brand:
Campaign:
Client Order Number:
Amount Due: \$28,720.08 ✓

Please detach and return this portion with your payment

AEP TEXAS Invoice# 14768 P O #: Docket No. 49042 Client Order Number

| Run Date | Ad Size | Rate Type | Rate | Color Rate | Total | Discount | (%) | Amount after Discount | Page |
|--|---------------|---------------|----------------|---------------|-----------------|---------------|---------|-----------------------|------|
| Atlanta Citizens Journal (Atlanta, Texas) | | | | | | | | | |
| 01/30/2019 | 18 00 | LOCAL GENERAL | \$9.35 | | \$168.30 | \$0.00 | (0.00%) | \$168.30 | |
| Caption: AEP SWEP CO - Docket No. 49042 | | | | | | | | | |
| 02/06/2019 | 18 00 | LOCAL GENERAL | \$0.00 | | DID NOT RUN | \$0.00 | (0.00%) | \$0.00 | |
| Caption: AEP SWEP CO - ad link www.texaspress.com/adcopy | | | | | | | | | |
| 02/13/2019 | 18 00 | LOCAL GENERAL | \$0.00 | | DID NOT RUN | \$0.00 | (0.00%) | \$0.00 | |
| Caption: AEP SWEP CO - ad link www.texaspress.com/adcopy | | | | | | | | | |
| 02/20/2019 | 18 00 | LOCAL GENERAL | \$9.35 | | \$168.30 | \$0.00 | (0.00%) | \$168.30 | |
| Caption: AEP SWEP CO - Docket No. 49042 | | | | | | | | | |
| 02/27/2019 | 18 00 | LOCAL GENERAL | \$9.35 | | \$168.30 | \$0.00 | (0.00%) | \$168.30 | |
| Caption: AEP SWEP CO - Docket No. 49042 | | | | | | | | | |
| 03/06/2019 | 18 00 | LOCAL GENERAL | \$9.35 | | \$168.30 | \$0.00 | (0.00%) | \$168.30 | |
| Caption: AEP SWEP CO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 108.00 | | \$37.40 | \$0.00 | \$673.20 | \$0.00 | | \$673.20 | |
| Big Sandy, The Big Sandy-Hawkins Journal (Big Sandy, Texas) | | | | | | | | | |
| 01/30/2019 | 18 00 | LOCAL GENERAL | \$9.59 | | \$172.62 | \$0.00 | (0.00%) | \$172.62 | |
| Caption: AEP SWEP CO - Docket No. 49042 | | | | | | | | | |
| 02/06/2019 | 18 00 | LOCAL GENERAL | \$9.59 | | \$172.62 | \$0.00 | (0.00%) | \$172.62 | |
| Caption: AEP SWEP CO - Docket No. 49042 | | | | | | | | | |
| 02/13/2019 | 18 00 | LOCAL GENERAL | \$9.59 | | \$172.62 | \$0.00 | (0.00%) | \$172.62 | |
| Caption: AEP SWEP CO - Docket No. 49042 | | | | | | | | | |
| 02/20/2019 | 18 00 | LOCAL GENERAL | \$9.59 | | \$172.62 | \$0.00 | (0.00%) | \$172.62 | |
| Caption: AEP SWEP CO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$38.36 | \$0.00 | \$690.48 | \$0.00 | | \$690.48 | |

AEP TEXAS Invoice# 14768 P.O.# Docket No. 49042 Client Order Number

| Run Date | Ad Size | Rate Type | Rate | Net Rate | Total | Discount | (%) | Amount after Discount | Page |
|--|--------------|------------------|----------------|---------------|-----------------|---------------|---------|-----------------------|------|
| Carthage, The Panola Watchman (Carthage, Texas) | | | | | | | | | |
| 01/30/2019 | 18 00 | LOCAL GENERAL | \$9.35 | | \$168.30 | \$0.00 | (0.00%) | \$168.30 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/06/2019 | 18 00 | LOCAL GENERAL | \$9.35 | | \$168.30 | \$0.00 | (0.00%) | \$168.30 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/13/2019 | 18 00 | LOCAL GENERAL | \$9.35 | | \$168.30 | \$0.00 | (0.00%) | \$168.30 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/20/2019 | 18 00 | LOCAL GENERAL | \$9.35 | | \$168.30 | \$0.00 | (0.00%) | \$168.30 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$37.40 | \$0.00 | \$673.20 | \$0.00 | | \$673.20 | |
| Center, The Light and Champion (Center, Texas) | | | | | | | | | |
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 | (0.00%) | \$225.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 | (0.00%) | \$225.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 | (0.00%) | \$225.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 | (0.00%) | \$225.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$50.00 | \$0.00 | \$900.00 | \$0.00 | | \$900.00 | |
| Childress, Red River Sun (Childress, Texas) | | | | | | | | | |
| 01/30/2019 | 18 00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 | (0.00%) | \$225.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/06/2019 | 18 00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 | (0.00%) | \$225.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/13/2019 | 18 00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 | (0.00%) | \$225.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/20/2019 | 18 00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 | (0.00%) | \$225.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$50.00 | \$0.00 | \$900.00 | \$0.00 | | \$900.00 | |
| Clarendon Enterprise (Clarendon, Texas) | | | | | | | | | |
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$6.00 | | \$108.00 | \$0.00 | (0.00%) | \$108.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$6.00 | | \$108.00 | \$0.00 | (0.00%) | \$108.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$6.00 | | \$108.00 | \$0.00 | (0.00%) | \$108.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$6.00 | | \$108.00 | \$0.00 | (0.00%) | \$108.00 | |
| Caption: AEP SWEPCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$24.00 | \$0.00 | \$432.00 | \$0.00 | | \$432.00 | |
| Clarksville Times (Clarksville, Texas) | | | | | | | | | |

AEP TEXAS Invoice# 14768 P O # Docket No 49042 Client Order Number

| Run Date | Ad Size | Rate Type | Rate | Color Rate | Total | Discount | (%) | Amount after Discount | Page |
|--|--------------|------------------|----------------|---------------|-----------------|---------------|---------|-----------------------|------|
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$13.12 | | \$236.16 | \$0.00 | (0.00%) | \$236.16 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$13.12 | | \$236.16 | \$0.00 | (0.00%) | \$236.16 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$13.12 | | \$236.16 | \$0.00 | (0.00%) | \$236.16 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$13.12 | | \$236.16 | \$0.00 | (0.00%) | \$236.16 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$52.48 | \$0.00 | \$944.64 | \$0.00 | | \$944.64 | |
| Dalingerfield, The Steel Country Bee (Dalingerfield, Texas) | | | | | | | | | |
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$10.40 | | \$187.20 | \$0.00 | (0.00%) | \$187.20 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$10.40 | | \$187.20 | \$0.00 | (0.00%) | \$187.20 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$10.40 | | \$187.20 | \$0.00 | (0.00%) | \$187.20 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$10.40 | | \$187.20 | \$0.00 | (0.00%) | \$187.20 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$41.60 | \$0.00 | \$748.80 | \$0.00 | | \$748.80 | |
| Emory Rains County Leader (Emory, Texas) | | | | | | | | | |
| 01/29/2019 | 18 00 | LOCAL GENERAL | \$8.22 | | \$147.96 | \$0.00 | (0.00%) | \$147.96 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/05/2019 | 18 00 | LOCAL GENERAL | \$8.22 | | \$147.96 | \$0.00 | (0.00%) | \$147.96 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/12/2019 | 18 00 | LOCAL GENERAL | \$8.22 | | \$147.96 | \$0.00 | (0.00%) | \$147.96 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/19/2019 | 18 00 | LOCAL GENERAL | \$8.22 | | \$147.96 | \$0.00 | (0.00%) | \$147.96 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$32.88 | \$0.00 | \$591.84 | \$0.00 | | \$591.84 | |
| Gilmer Mirror (Gilmer, Texas) | | | | | | | | | |
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$6.50 | | \$117.00 | \$0.00 | (0.00%) | \$117.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$6.50 | | \$117.00 | \$0.00 | (0.00%) | \$117.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$6.50 | | \$117.00 | \$0.00 | (0.00%) | \$117.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$6.50 | | \$117.00 | \$0.00 | (0.00%) | \$117.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$26.00 | \$0.00 | \$468.00 | \$0.00 | | \$468.00 | |
| Grand Saline Sun (Grand Saline, Texas) | | | | | | | | | |

AEP TEXAS Invoice# 14768 P.O.# Docket No. 49042 Client Order Number

| Run Date | Ad Size | Line Type | Rate | Print Rate | Code | Discount (%) | Amount after Discount | Page |
|--|--------------|---------------|----------------|---------------|-------------------|----------------|-----------------------|------|
| 01/31/2019 | 18.00 | LOCAL GENERAL | \$13.95 | | \$251.10 | \$0.00 (0.00%) | \$251.10 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/07/2019 | 18.00 | LOCAL GENERAL | \$13.95 | | \$251.10 | \$0.00 (0.00%) | \$251.10 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/14/2019 | 18.00 | LOCAL GENERAL | \$13.95 | | \$251.10 | \$0.00 (0.00%) | \$251.10 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/28/2019 | 18.00 | LOCAL GENERAL | \$13.95 | | \$251.10 | \$0.00 (0.00%) | \$251.10 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$88.80 | \$0.00 | \$1,004.40 | \$0.00 | \$1,004.40 | |
| Henderson Daily News (Henderson, Texas) | | | | | | | | |
| 01/30/2019 | 18.00 | LOCAL GENERAL | \$9.90 | | \$178.20 | \$0.00 (0.00%) | \$178.20 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/06/2019 | 18.00 | LOCAL GENERAL | \$9.90 | | \$178.20 | \$0.00 (0.00%) | \$178.20 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/13/2019 | 18.00 | LOCAL GENERAL | \$9.90 | | \$178.20 | \$0.00 (0.00%) | \$178.20 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/20/2019 | 18.00 | LOCAL GENERAL | \$9.90 | | \$178.20 | \$0.00 (0.00%) | \$178.20 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$39.60 | \$0.00 | \$712.80 | \$0.00 | \$712.80 | |
| Jacksonville Daily Progress (Jacksonville, Texas) | | | | | | | | |
| 01/31/2019 | 18.00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 (0.00%) | \$225.00 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/07/2019 | 18.00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 (0.00%) | \$225.00 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/14/2019 | 18.00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 (0.00%) | \$225.00 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/21/2019 | 18.00 | LOCAL GENERAL | \$12.50 | | \$225.00 | \$0.00 (0.00%) | \$225.00 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$60.00 | \$0.00 | \$900.00 | \$0.00 | \$900.00 | |
| Jefferson Jimplecute (Jefferson, Texas) | | | | | | | | |
| 01/31/2019 | 18.00 | LOCAL GENERAL | \$6.80 | | \$122.40 | \$0.00 (0.00%) | \$122.40 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/07/2019 | 18.00 | LOCAL GENERAL | \$6.80 | | \$122.40 | \$0.00 (0.00%) | \$122.40 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/14/2019 | 18.00 | LOCAL GENERAL | \$6.80 | | \$122.40 | \$0.00 (0.00%) | \$122.40 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| 02/21/2019 | 18.00 | LOCAL GENERAL | \$6.80 | | \$122.40 | \$0.00 (0.00%) | \$122.40 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$27.20 | \$0.00 | \$489.60 | \$0.00 | \$489.60 | |
| Kilgore News Herald (Kilgore, Texas) | | | | | | | | |

AEP TEXAS Invoice# 14768 P.O.#: Docket No. 49042 Client Order Number

| Run Date | Ad Size | Rate Type | Rate | Color Rate | Total | (Amount | (%) | Amount after Discount | Page |
|---|---------------|------------------|----------------|---------------|-----------------|---------------|---------|-----------------------|------|
| 01/30/2019 | 18.00 | LOCAL GENERAL | \$12.94 | | \$232.92 | \$0.00 | (0.00%) | \$232.92 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/08/2019 | 18.00 | LOCAL GENERAL | \$12.94 | | \$232.92 | \$0.00 | (0.00%) | \$232.92 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/13/2019 | 18.00 | LOCAL GENERAL | \$12.94 | | \$232.92 | \$0.00 | (0.00%) | \$232.92 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/20/2019 | 18.00 | LOCAL GENERAL | \$12.94 | | \$232.92 | \$0.00 | (0.00%) | \$232.92 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$81.76 | \$0.00 | \$931.88 | \$0.00 | | \$931.88 | |
| Lindale News & Times (Gladewater, Texas) | | | | | | | | | |
| 01/31/2019 | 18.00 | LOCAL GENERAL | \$11.25 | | \$202.50 | \$0.00 | (0.00%) | \$202.50 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/07/2019 | 18.00 | LOCAL GENERAL | \$11.25 | | \$202.50 | \$0.00 | (0.00%) | \$202.50 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/14/2019 | 18.00 | LOCAL GENERAL | \$11.25 | | \$202.50 | \$0.00 | (0.00%) | \$202.50 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/21/2019 | 18.00 | LOCAL GENERAL | \$11.25 | | \$202.50 | \$0.00 | (0.00%) | \$202.50 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$46.00 | \$0.00 | \$810.00 | \$0.00 | | \$810.00 | |
| Linden, The Cass County Sun (Linden, Texas) | | | | | | | | | |
| 01/30/2019 | 18.00 | LOCAL GENERAL | \$9.45 | | \$170.10 | \$0.00 | (0.00%) | \$170.10 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/06/2019 | 18.00 | LOCAL GENERAL | \$0.00 | | DID NOT RUN | \$0.00 | (0.00%) | \$0.00 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/13/2019 | 18.00 | LOCAL GENERAL | \$0.00 | | DID NOT RUN | \$0.00 | (0.00%) | \$0.00 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/20/2019 | 18.00 | LOCAL GENERAL | \$9.45 | | \$170.10 | \$0.00 | (0.00%) | \$170.10 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/27/2019 | 18.00 | LOCAL GENERAL | \$9.45 | | \$170.10 | \$0.00 | (0.00%) | \$170.10 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 03/06/2019 | 18.00 | LEGAL | \$9.45 | | \$170.10 | \$0.00 | (0.00%) | \$170.10 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 108.00 | | \$37.80 | \$0.00 | \$680.40 | \$0.00 | | \$680.40 | |
| Longview News-Journal (Longview, Texas) | | | | | | | | | |
| 01/30/2019 | 18.00 | LOCAL GENERAL | \$54.80 | | \$982.80 | \$0.00 | (0.00%) | \$982.80 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/06/2019 | 18.00 | LOCAL GENERAL | \$54.80 | | \$982.80 | \$0.00 | (0.00%) | \$982.80 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/13/2019 | 18.00 | LOCAL GENERAL | \$54.80 | | \$982.80 | \$0.00 | (0.00%) | \$982.80 | |
| Caption: AEP SWEPSCO - Docket No. 49042 | | | | | | | | | |
| 02/20/2019 | 18.00 | LOCAL GENERAL | \$54.80 | | \$982.80 | \$0.00 | (0.00%) | \$982.80 | |

AEP TEXAS Invoice# 14788 P O # Docket No 49042 Client Order Number.

| Run Date | Ad Size | Rate Type | Rate | Color Rate | total | Discount (%) | Amount after Discount | Page |
|--|---------|---------------|----------|------------|------------|----------------|-----------------------|------|
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$216.40 | \$0.00 | \$3,931.20 | \$0.00 | \$3,931.20 | |
| Marshall News-Messenger (Marshall, Texas) | | | | | | | | |
| 01/30/2019 | 18.00 | LOCAL GENERAL | \$24.26 | | \$436.68 | \$0.00 (0.00%) | \$436.68 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/06/2019 | 18.00 | LOCAL GENERAL | \$24.26 | | \$436.68 | \$0.00 (0.00%) | \$436.68 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/13/2019 | 18.00 | LOCAL GENERAL | \$24.26 | | \$436.68 | \$0.00 (0.00%) | \$436.68 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/20/2019 | 18.00 | LOCAL GENERAL | \$24.26 | | \$436.68 | \$0.00 (0.00%) | \$436.68 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$97.04 | \$0.00 | \$1,746.72 | \$0.00 | \$1,746.72 | |
| Mineola, Wood County Monitor (Mineola, Texas) | | | | | | | | |
| 01/30/2019 | 18.00 | LEGALS BW | \$12.00 | | \$216.00 | \$0.00 (0.00%) | \$216.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/06/2019 | 18.00 | LEGALS BW | \$12.00 | | \$216.00 | \$0.00 (0.00%) | \$216.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/13/2019 | 18.00 | LEGALS BW | \$12.00 | | \$216.00 | \$0.00 (0.00%) | \$216.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/20/2019 | 18.00 | LEGALS BW | \$12.00 | | \$216.00 | \$0.00 (0.00%) | \$216.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$48.00 | \$0.00 | \$864.00 | \$0.00 | \$864.00 | |
| Mount Pleasant Daily Tribune (Mount Pleasant, Texas) | | | | | | | | |
| 01/30/2019 | 18.00 | LOCAL GENERAL | \$16.00 | | \$288.00 | \$0.00 (0.00%) | \$288.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/06/2019 | 18.00 | LOCAL GENERAL | \$16.00 | | \$288.00 | \$0.00 (0.00%) | \$288.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/13/2019 | 18.00 | LOCAL GENERAL | \$16.00 | | \$288.00 | \$0.00 (0.00%) | \$288.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/20/2019 | 18.00 | LOCAL GENERAL | \$16.00 | | \$288.00 | \$0.00 (0.00%) | \$288.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$64.00 | \$0.00 | \$1,152.00 | \$0.00 | \$1,152.00 | |
| Mount Vernon Optic-Herald (Mount Vernon, Texas) | | | | | | | | |
| 01/31/2019 | 18.00 | LOCAL GENERAL | \$7.50 | | \$135.00 | \$0.00 (0.00%) | \$135.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/07/2019 | 18.00 | LOCAL GENERAL | \$7.50 | | \$135.00 | \$0.00 (0.00%) | \$135.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/14/2019 | 18.00 | LOCAL GENERAL | \$7.50 | | \$135.00 | \$0.00 (0.00%) | \$135.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| 02/21/2019 | 18.00 | LOCAL GENERAL | \$7.50 | | \$135.00 | \$0.00 (0.00%) | \$135.00 | |
| Caption: AEP SWEPCO - Docket No 49042 | | | | | | | | |
| Subtotal: | 72.00 | | \$30.00 | \$0.00 | \$540.00 | \$0.00 | \$540.00 | |
| Naples, The Monitor (Naples, Texas) | | | | | | | | |

AEP TEXAS Invoice# 14768 P O #: Docket No. 49042 Client Order Number

| Run Date | Ad Size | Rate Type | Rate | Rate | Total | Amount | (%) | Amount after Discount | Page |
|---|--------------|------------------|----------------|---------------|-----------------|---------------|---------|-----------------------|------|
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$9.87 | | \$177.66 | \$0.00 | (0.00%) | \$177.66 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$9.87 | | \$177.66 | \$0.00 | (0.00%) | \$177.66 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$9.87 | | \$177.66 | \$0.00 | (0.00%) | \$177.66 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$9.87 | | \$177.66 | \$0.00 | (0.00%) | \$177.66 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$39.48 | \$0.00 | \$710.64 | \$0.00 | | \$710.64 | |
| New Boston Bowie County Citizens Tribune (New Boston, Texas) | | | | | | | | | |
| 01/30/2019 | 18 00 | LOCAL GENERAL | \$9.47 | | \$170.46 | \$0.00 | (0.00%) | \$170.46 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/06/2019 | 18 00 | LOCAL GENERAL | \$9.47 | | \$170.46 | \$0.00 | (0.00%) | \$170.46 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/13/2019 | 18 00 | LOCAL GENERAL | \$9.47 | | \$170.46 | \$0.00 | (0.00%) | \$170.46 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/20/2019 | 18 00 | LOCAL GENERAL | \$9.47 | | \$170.46 | \$0.00 | (0.00%) | \$170.46 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$37.88 | \$0.00 | \$681.84 | \$0.00 | | \$681.84 | |
| Pittsburg Gazette (Pittsburg, Texas) | | | | | | | | | |
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$11.18 | | \$201.24 | \$0.00 | (0.00%) | \$201.24 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$11.18 | | \$201.24 | \$0.00 | (0.00%) | \$201.24 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$11.18 | | \$201.24 | \$0.00 | (0.00%) | \$201.24 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$11.18 | | \$201.24 | \$0.00 | (0.00%) | \$201.24 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$44.72 | \$0.00 | \$804.96 | \$0.00 | | \$804.96 | |
| Shamrock, County Star-News (Shamrock, Texas) | | | | | | | | | |
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$6.95 | | \$125.10 | \$0.00 | (0.00%) | \$125.10 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$6.95 | | \$125.10 | \$0.00 | (0.00%) | \$125.10 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$6.95 | | \$125.10 | \$0.00 | (0.00%) | \$125.10 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$6.95 | | \$125.10 | \$0.00 | (0.00%) | \$125.10 | |
| Caption: AEP SWPCO - Docket No. 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$27.80 | \$0.00 | \$500.40 | \$0.00 | | \$500.40 | |
| Sulphur Springs News-Telegram (Sulphur Springs, Texas) | | | | | | | | | |

AEP TEXAS Invoice# 14768 P O # Docket No 49042 Client Order Number

| Run Date | Ad Size | Rate Type | Rate | → Rate | Total | Discount | (%) | Amount after Discount | Page |
|--|--------------|------------------|-----------------|---------------|-------------------|---------------|---------|-----------------------|------|
| 01/31/2019 | 18 00 | LOCAL GENERAL | \$15.73 | | \$283.14 | \$0.00 | (0.00%) | \$283.14 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/07/2019 | 18 00 | LOCAL GENERAL | \$15.73 | | \$283.14 | \$0.00 | (0.00%) | \$283.14 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/14/2019 | 18 00 | LOCAL GENERAL | \$15.73 | | \$283.14 | \$0.00 | (0.00%) | \$283.14 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/21/2019 | 18 00 | LOCAL GENERAL | \$15.73 | | \$283.14 | \$0.00 | (0.00%) | \$283.14 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$82.92 | \$0.00 | \$1,132.66 | \$0.00 | | \$1,132.66 | |
| Texarkana Gazette (Texarkana, Texas) | | | | | | | | | |
| 01/30/2019 | 18 00 | LOCAL GENERAL | \$48.51 | | \$873.18 | \$0.00 | (0.00%) | \$873.18 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/06/2019 | 18 00 | LOCAL GENERAL | \$48.51 | | \$873.18 | \$0.00 | (0.00%) | \$873.18 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/13/2019 | 18 00 | LOCAL GENERAL | \$48.51 | | \$873.18 | \$0.00 | (0.00%) | \$873.18 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/20/2019 | 18 00 | LOCAL GENERAL | \$48.51 | | \$873.18 | \$0.00 | (0.00%) | \$873.18 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$194.04 | \$0.00 | \$3,492.72 | \$0.00 | | \$3,492.72 | |
| Wills Point, Van Zandt News (Canton, Texas) | | | | | | | | | |
| 01/27/2019 | 18 00 | LOCAL GENERAL | \$8.50 | | \$153.00 | \$0.00 | (0.00%) | \$153.00 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/03/2019 | 18 00 | LOCAL GENERAL | \$8.50 | | \$153.00 | \$0.00 | (0.00%) | \$153.00 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/10/2019 | 18 00 | LOCAL GENERAL | \$8.50 | | \$153.00 | \$0.00 | (0.00%) | \$153.00 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| 02/17/2019 | 18 00 | LOCAL GENERAL | \$8.50 | | \$153.00 | \$0.00 | (0.00%) | \$153.00 | |
| Caption: AEP SWEP CO - Docket No 49042 | | | | | | | | | |
| Subtotal: | 72.00 | | \$34.00 | \$0.00 | \$612.00 | \$0.00 | | \$612.00 | |

| | | | | | |
|-------------------|-------------|--------------|-------------|--------------|-------------|
| Gross Advertising | \$28,720.08 | Total Misc | \$0.00 | Amount Paid | \$0.00 |
| Agency Discount | \$0.00 | Tax | \$0.00 | Adjustments | \$0.00 |
| Other Discount | \$0.00 | Total Billed | \$28,720.08 | Payment Date | |
| Service Charge | \$0.00 | Unbilled | \$0.00 | Balance Due | \$28,720.08 |

We appreciate your business!
Please pay this invoice within 15 days.
Thank you,
Stephanie M. Hearne, CPA
Controller
shearne@texaspress.com

40443

CITIES

217770



City Attorney's Office
P.O. Box 1052
Longview, Texas 75006
903 237 1000

June 30 2020

VIA EMAIL

Attention: Teri Walker
Regulatory Case Manager (Jennifer Frederick)
American Electric Power
400 W 15th St
Suite 1520
Austin, Texas 78701

Re: PUC Docket No. 40443 Application of Southwestern Electric Power for Authority
to Change Rates and Reconcile Fuel Costs

Dear Ms. Frederick:

Enclosed is a bill submitted by Herrera & Boyle, PLLC to the Cities
Advocating Reasonable Deregulation (CARD) for payment in the above-referenced rate
case. The CARD executive committee has reviewed them and find that they are
acceptable. Please put the invoice in line for payment, and remit a check for the
appropriate amount to the City of Longview.

I thank you in advance for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Laurie Kaczmarek".

Laurie Kaczmarek
City Attorney's Office

Enclosure

cc: Alfred Herrera

Herrera Law & Associates, PLLC
4400 Medical Parkway
Austin, TX 78756
512-474-1492

April 27, 2020

Invoice submitted to:

Cities Advocating Reasonable Deregulation
c/o Jim Finley, City Attorney
P.O. Box 1952
Longview, TX 75606-1952

In Reference To:

PUC Docket No. 40443:
Application of Southwestern
Electric Power Company for
Authority to Change Rates and
Reconcile Fuel Costs
PUC Docket No. 42370:
Application of Southwestern
Electric Power Company for Rate
Case Expenses Severed from PUC
Docket No. 40443
Acct 569

STATEMENT FOR PROFESSIONAL SERVICES

Legal Fees:

| | | <u>Hrs/Rate</u> | <u>Amount</u> |
|----------|---|-------------------|---------------|
| 04/07/20 | Brennan Foley - Review parties' reply briefs in Sup. Ct. appeal | 1.60 350.00/hr | 560.00 |
| | Alfred R. Herrera - Review SWEPCO & PUC reply briefs | 3.60 485.00/hr | 1,746.00 |

Cities Advocating Reasonable Deregulation

Page 2

| | | Hrs:Rate | Amount |
|--------------------------|--|-------------------|--------------------|
| 04/08/20 | Brennan Foley - Review parties' reply briefs in Sup Ct appeal | 0.80 350.00/hr | 280.00 |
| | Alfred R. Herrera - Continue review of SWEPCO & PUC reply briefs and check cites | 3.20 485.00/hr | 1,552.00 |
| 04/09/20 | Brennan Foley - Review parties' reply and amici reply briefs | 0.50 350.00/hr | 175.00 |
| Total Legal Fees: | | 9.70 | \$4,313.00 |
| Previous balance | | | \$45,780.00 |
| BALANCE DUE | | | \$50,093.00 |

40443

Legal

360913

Header Information

Invoice Number: 34193

Vendor: Duggins Wren Mann & Romero, LLP

Address: 600 Congress Ave Suite 1900 Austin TX 78701 United States of America

Tax ID: 27-5110427

Invoice Date: 06/09/2020

Received Date: 06/09/2020

Project: AEPD050144-SWEPCO Texas Rate Case 2017 Docket No. 40443

Posting Status: Posted

Billing Start Date: 05/27/2020

Billing End Date: 05/31/2020

Submitted Total: \$157

Submitted Currency: USD

Tax Rate: 0%

PS Voucher: 00360913

Approved Total: \$149.15

Invoice Summary

| Type | Rate x Units | Discount | AEP Disc | Adjustment | AEP Split | Tax | Amount |
|---------------|--------------|----------|----------|------------|-----------|-----|--------|
| Fees | 157 | 0 | 7.85 | 0 | 0 | 0 | 149.15 |
| Expenses | 0 | 0 | N/A | 0 | 0 | 0 | 0 |
| Invoice Total | 157 | 0 | 7.85 | 0 | 0 | 0 | 149.15 |

Line Items

| Item | Date | Type | Category | TK | Rate | Units | Disc | Adj | Amt |
|---|------------|------|--|------------------|------|-------|------|------|-------|
| 1 | 05/27/2020 | Fee | L120 Analysis/Strategy | McCormick Marnie | 365 | 0.2 | 3.65 | 3.65 | 69.35 |
| Activity: A107 Communicate (other outside counsel) Description: Analysis/Strategy Communicate w/other outside counsel T. Phillips re status / PUCT/Overall Case Administration Adjustment: 06/09/2020 Amount adjusted by 3.65 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | | | |
| 2 | 05/27/2020 | Fee | L510 Appellate Motions and Submissions | Coe, William | 420 | 0.2 | 4.2 | 4.2 | 79.8 |
| Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze petition action timing issues / PUCT/Overall Case Administration Adjustment: 06/09/2020 - Amount adjusted by 4.2 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 5% discount to vendor fees per billing discount agreement | | | | | | | | | |

Completed Requests

| Item | Request Name | Requestor | Request Date | Completion Date | Comment | Outcome |
|------------------|-----------------------------|---------------------------------|--------------|---------------------|------------------|----------|
| 1 | Post Invoice for 149.15 USD | Duggins Wren Mann & Romero, LLP | 06/09/2020 | 06/11/2020 | | Approved |
| Approval History | | | | | | |
| | Stop | Performer | Activity | Date/Time | Internal Comment | |
| | 1 | Gage, Melissa A | Approved | 06/11/2020 08:51 AM | | |

Header Information

Invoice Number: 34373
Vendor: Duggins Wren Mann & Romero, LLP
Address: 600 Congress Ave Suite 1900, Austin, TX 78701, United States of America
Tax ID: 27-5110427
Invoice Date: 07/09/2020
Received Date: 07/09/2020
Project: AEPD050144-SWEP C.O Texas Rate Case 2012-Docket No: 40443
Posting Status: Posted

Billing Start Date: 06/05/2020
Billing End Date: 06/30/2020

Submitted Total: \$6,741.5
Submitted Currency: USD
Tax Rate: 0%
PS Voucher: 00361801
Approved Total: \$5,730.28

Invoice Summary

| Type | Rate x Units | Discount | AEP Disc | Adjustment | AEP Split | Tax | Amount |
|---------------|--------------|----------|----------|------------|-----------|-----|----------|
| Fees | 6,741.5 | 0 | 1,011.22 | 0 | 0 | 0 | 5,730.28 |
| Expenses | 0 | 0 | N/A | 0 | 0 | 0 | 0 |
| Invoice Total | 6,741.5 | 0 | 1,011.22 | 0 | 0 | 0 | 5,730.28 |

Line Items

| Item | Date | Type | Category | TK | Rate | Units | Disc | Ad | Amt |
|--|------------|------|--|------------------|------|-------|-------|-------|--------|
| 1 | 06/05/2020 | Fee | L510 Appellate Motions and Submissions | McCormick, Mamie | 365 | 0.3 | 16.42 | 16.42 | 93.08 |
| Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze Texas Supreme Court orders for status of petition / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 16.42 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | | | |
| 2 | 06/11/2020 | Fee | L120 Analysis/Strategy | McCormick, Mamie | 365 | 1 | 54.75 | 54.75 | 310.25 |
| Activity: A102 Research Description: Analysis/Strategy Research remand process in court PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 54.75 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | | | |
| 3 | 06/11/2020 | Fee | L120 Analysis/Strategy | McCormick, Mamie | 365 | 0.5 | 27.38 | 27.38 | 155.12 |
| Activity: A103 Draft/revise Description: Analysis/Strategy Draft/Revise email/memo regarding remand process in court / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 27.38 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | | | |
| 4 | 06/11/2020 | Fee | L510 Appellate Motions and Submissions | Coe, William | 420 | 1.4 | 88.2 | 88.2 | 499.8 |
| Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze petition and petition decision timing issues, oral argument issues, and potential remand issues / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 88.2 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | | | |
| 5 | 06/12/2020 | Fee | L510 Appellate Motions and Submissions | McCormick, Mamie | 365 | 0.3 | 16.42 | 16.42 | 93.08 |
| Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze Texas Supreme Court orders for status of petition / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 16.42 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | | | |
| 6 | 06/12/2020 | Fee | L510 Appellate Motions and Submissions | Green, Stephanie | 230 | 0.2 | 6.9 | 6.9 | 39.1 |
| Activity: A104 Review/analyze | | | | | | | | | |

| | | | | | | | | | |
|----|------------|-----|--|-------------------|-----|-----|--------|--------|----------|
| | | | Description: Appellate Motions and Submissions Review/Analyze correspondence re research assistance concerning Supreme Court of Texas disposition of petition / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 6.9 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | |
| 7 | 06/12/2020 | Fee | L510 Appellate Motions and Submissions | Coe, William | 420 | 0.5 | 31.5 | 31.5 | 178.5 |
| | | | Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze petition for review action issues and correspondence re same, post-petition procedures / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 31.5 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | |
| 8 | 06/13/2020 | Fee | L510 Appellate Motions and Submissions | Green, Stephanie | 230 | 4.4 | 151.8 | 151.8 | 860.2 |
| | | | Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze PUC remand dockets (cases that have been remanded following appeal for judicial review) / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 151.8 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | |
| 9 | 06/15/2020 | Fee | L510 Appellate Motions and Submissions | Green, Stephanie | 230 | 0.2 | 6.9 | 6.9 | 39.1 |
| | | | Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze previous research into issues on remand / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 6.9 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | |
| 10 | 06/15/2020 | Fee | L120 Analysis/Strategy | Pearsall, Patrick | 345 | 0.3 | 15.52 | 15.52 | 87.98 |
| | | | Activity: A104 Review/analyze Description: Analysis/Strategy Review/Analyze issues re scope and procedure of Commission review on remand of appeal / PUCT/Overall Case Strategy Adjustment: 07/09/2020 - Amount adjusted by 15.52 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | |
| 11 | 06/16/2020 | Fee | L510 Appellate Motions and Submissions | Green, Stephanie | 230 | 5.3 | 182.85 | 182.85 | 1,036.15 |
| | | | Activity: A103 Draft/revise Description: Appellate Motions and Submissions Draft/Revise summary of PUC docketing and management of remanded cases / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 182.85 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | |
| 12 | 06/17/2020 | Fee | L120 Analysis/Strategy | Green Stephanie | 230 | 2.8 | 96.6 | 96.6 | 547.4 |
| | | | Activity: A102 Research Description: Analysis/Strategy Research re cited cases regarding discretion on remand and scope of review addressed by PUC in remand dockets / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 96.6 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | |
| 13 | 06/17/2020 | Fee | L120 Analysis/Strategy | Green Stephanie | 230 | 3.3 | 113.85 | 113.85 | 645.15 |
| | | | Activity: A103 Draft/revise Description: Analysis/Strategy Draft/Revise summary of research regarding discretion on remand / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 113.85 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | |
| 14 | 06/17/2020 | Fee | L120 Analysis/Strategy | Green Stephanie | 230 | 2.9 | 100.05 | 100.05 | 566.95 |
| | | | Activity: A103 Draft/revise Description: Analysis/Strategy Draft/Revise research summaries re remand of case following judicial review / PUCT/Overall Case | | | | | | |

| | | | | | | | | | | |
|----|------------|-----|---|-------------------|-----|-----|-------|-------|--------|--|
| | | | Administration | | | | | | | |
| | | | Adjustment: 07/09/2020 - Amount adjusted by 100.05 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | |
| 15 | 06/18/2020 | Fee | L120 Analysis/Strategy | McCormick, Marrie | 365 | 0.5 | 27.38 | 27.38 | 155.12 | |
| | | | Activity: A104 Review/analyze Description: Analysis/Strategy Review/Analyze memo regarding remand process at PUCT / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 27.38 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | |
| 16 | 06/19/2020 | Fee | L510 Appellate Motions and Submissions | McCormick, Marrie | 365 | 0.2 | 10.95 | 10.95 | 62.05 | |
| | | | Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze Texas Supreme Court orders for status of petition / PUCT/Overall Case Administration. Adjustment: 07/09/2020 - Amount adjusted by 10.95 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | |
| 17 | 06/19/2020 | Fee | L510 Appellate Motions and Submissions | McCormick, Marrie | 365 | 0.2 | 10.95 | 10.95 | 62.05 | |
| | | | Activity: A106 Communicate (with client) Description: Appellate Motions and Submissions Communicate with client T. Phillips re Texas Supreme Court orders for status of petition / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 10.95 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | |
| 18 | 06/19/2020 | Fee | L510 Appellate Motions and Submissions | Coe, William | 420 | 0.4 | 25.2 | 25.2 | 142.8 | |
| | | | Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze petition for review action and oral argument issues / PUCT/Overall Case Administration. Adjustment: 07/09/2020 - Amount adjusted by 25.2 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | |
| 19 | 06/19/2020 | Fee | L510 Appellate Motions and Submissions | Coe, William | 420 | 0.1 | 6.3 | 6.3 | 35.7 | |
| | | | Activity: A106 Communicate (with client) Description: Appellate Motions and Submissions Communicate with client T. Brice re petition for review / PUCT/Overall Case Administration. Adjustment: 07/09/2020 - Amount adjusted by 6.3 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | |
| 20 | 06/23/2020 | Fee | L410 Fact Witnesses | Pearsall, Patrick | 345 | 0.2 | 10.35 | 10.35 | 58.65 | |
| | | | Activity: A104 Review/analyze Description: Fact Witnesses Review/Analyze issues re timing of Supreme Court consideration and action on petition for review / PUCT/Overall Case Strategy Adjustment: 07/09/2020 - Amount adjusted by 10.35 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | |
| 21 | 06/26/2020 | Fee | L510 Appellate Motions and Submissions | McCormick, Marrie | 365 | 0.2 | 10.95 | 10.95 | 62.05 | |
| | | | Activity: A104 Review/analyze Description: Appellate Motions and Submissions Review/Analyze Texas Supreme Court orders for status / PUCT/Overall Case Administration Adjustment: 07/09/2020 - Amount adjusted by 10.95 - system, system Reason for Adjustment: Discount Agreement Comments to Requestor: 15% discount to vendor fees per billing discount agreement | | | | | | | |

Completed Requests

| Item | Request Name | Requestor | Request Date | Completion Date | Comment | Outcome |
|------------------|-------------------------------|---------------------------------|--------------|---------------------|------------------|----------|
| 1 ✓ | Post Invoice for 5,730.28 USD | Duggins Wren Mann & Romero, LLP | 07/09/2020 | 07/15/2020 | | Approved |
| Approval History | | | | | | |
| | Step | Performer | Activity | Date/Time | Internal Comment | |
| | 1 | Gage, Melissa A | Approved | 07/15/2020 04:36 PM | | |

**SOUTHWESTERN ELECTRIC POWER COMPANY
PRACTICES AND PROCEDURES
TO ENSURE THE REASONABLENESS AND NECESSITY
OF SWEPCO RATE CASE EXPENSES**

1. Procedures to Ensure that the Expenses Charged to the Rate Case Do Not Pertain to Other Costs Included in the Cost of Service or Should Have Been Assigned to Other Functions

The invoices for outside professionals and other rate case expenses are segregated into work orders designated exclusively for Docket Nos. 42370, 42448, 42527, 44496, 44701, 45691, and the instant docket. This segregation ensures: that none of these expenses are included in any other cost of service amounts included in the rate filing package; that none of the expenses should have been assigned to other functions; and that none of the rate case expenses have been recovered through reimbursement for other expenses.

2. Cost Control and Management Process for the Costs of Outside Professionals

Southwestern Electric Power Company ("SWEPCO") and American Electric Power Services Company, Inc. ("AEPSC") (collectively "Company") control the costs of outside professionals through several procedures and practices. The Company's normal process involves careful scrutiny of all charges and a detailed review of invoices prior to authorization of payment. The Company's employees responsible for overseeing the review of such invoices are familiar with the terms of each outside professional's engagement and are also involved in the day-to-day rate case activities giving rise to the expenses under review. The responsible employees are actively involved in the case planning, staffing, and performance of the related case activities. This intimate knowledge of the terms of the consultant's engagement (including billing rates) and of the activities to which the invoices relate allows the responsible employees, and the Company to ensure the reasonableness and necessity of the services performed and the charges. By being involved at this level, the Company is able to control rate case expenses and ensure the effectiveness of the services provided to the Company, and the reasonableness of the invoiced amounts.

The Company's process to ensure reasonableness and necessity of outside professionals' costs involves:

- a) review by the responsible employee familiar with the terms of the outside professional's engagement to determine that the invoice terms and amounts are in agreement with the terms of the engagement and that contract limits have not been exceeded;
- b) detailed review of the invoices and supporting documentation;
- c) verification of the mathematical accuracy of each invoice;
- d) verification of the mathematical accuracy of the charges in each invoice;
- e) review of the individual charges and rates for reasonableness, based on the responsible employee's day-to-day familiarity with the activities performed in the proceeding, to ensure that the charges are directly related to the rate case and should not be charged elsewhere;
- f) review of the invoice to ensure that no double-billing of charges occurs; and
- g) before processing payments to an outside professional, AEPSC Accounts Payable ensures that invoices are approved by an authorized person who has invoice approval authority.

3. Selection of Outside Legal Counsel

The Company is staffed to handle certain amount of ongoing legal matters, but does not have sufficient internal legal resources to prosecute cases of the magnitude of Docket Nos. 42370, 42448, 42527, 44496, 44701, 45691, and the instant docket. Furthermore, given the importance, breadth, and complexity of the legal regulatory issues in these cases, supplementing internal legal personnel with qualified outside counsel is not only necessary, but it helps to enhance the quality and effectiveness of the case effort.

The Company's selection of outside legal counsel is based primarily on the Company's assessment of the counsel's expertise, knowledge of the Company, and familiarity with Texas regulation. Knowledge of the Company's prior major regulatory and rate case history is necessary for outside counsel to be able to provide efficient and effective representation within the extremely demanding context of a major case before the Commission. In selecting outside legal counsel, the Company considers the prior work experience with the outside counsel, the prior work product of the counsel, and the counsel's familiarity with and ability to work closely and effectively with the key members of the Company's regulatory team. This prior experience reinforces the Company's confidence that the outside counsel has the experience and expertise to effectively and efficiently prosecute the case on the Company's behalf.

Given the magnitude of the effort and the complexity of the issues, the Company selected Duggins Wren Mann and Romero, LLP (“DWMR”) to assist it with the effort. The Company has extensive experience with DWMR, which has represented the Texas operating companies of AEP.

DWMR has a proven track record of working efficiently and effectively with key Company personnel. The Company’s experience demonstrates that DWMR’s competencies complement the competencies of Company employees and enhance the legal representation in these complex and important cases. As the aforementioned cases progressed and new issues arose, the Company’s case management team made new assignments or revised assignments to DWMR, based on their evaluation of the case needs, in turn based on their day-to-day involvement in the case and the resources of DWMR.

4. Other Vendors' Expenses

Vendors, other than outside professionals, provided services for Docket Nos. 42370, 42448, 42527, 44496, 44701, 45691, and the instant docket, including, among other things: printing and delivery services; supplies, such as paper; binders, printer toner; temporary clerical employees; parking; after-hours air conditioning; meals; hearing transcripts; customer notice, and newspaper notice publication. These services and goods are provided at the respective vendor’s customary charges, which reflect the prevailing market prices for such services. The responsible Company employees determine that the services and goods acquired are necessary and ensure that the amounts invoiced are in accordance with the vendor’s schedule of charges, are mathematically correct, and reflect the amount of the services and goods determined to be necessary.

Because it has a tax certificate, the Company does not pay state or local sales or use taxes to third-party vendors, such as those who provide reproduction services, etc. However, the Company is ultimately responsible for the applicable use taxes on certain items acquired from third-party vendors, and items acquired to support the aforementioned dockets. Thus, AEPSC Accounts Payable adds the appropriate use tax amounts as a separate addition to the amounts charged to the rate case for the third-party items subject to use taxes.

5. Reimbursable Employee Expenses

No Company employees' salaries, wages, employee benefits, or other payroll-related items are included in the requested rate case expenses. The requested rate case expenses do, however, include amounts directly attributable to the rate case for out-of-pocket employee expenses incurred by Company employees for travel, lodging, parking, meals, etc., and to reimburse them for miscellaneous supplies, for which they either charged their corporate credit card or paid cash. The employees charge these expenses to the work orders designated exclusively for the aforementioned dockets, classifying the expenses or applicable portion incurred for the respective cases and to ensure that charges that do not pertain to those are not charged to them. Each employee's supervisor reviews the employee's reimbursable expenses to ensure that they are reasonable and necessary and have been properly classified to the correct work orders and approves the charges.

With respect to eligible expenses reimbursed to an employee on his/her corporate credit card or for cash payment, a monthly employee expense report is produced which provides the detail with respect to each charge reimbursed to the employee. This detail includes:

- a) a description of the charge, *i.e.*, airfare, hotel, meal, etc.;
- b) the amount of the charge, including as applicable, a breakdown of the elements of the charge, such as daily room rate, hotel tax, etc.;
- c) the identification of the entity providing the service or good;
- d) the work order to which the charge applies and;
- e) in the case of meals, the number of persons and their names.

The employee expense report contains individual entries for each item charged, and where a breakdown of specific items, such as hotel charges, is provided, the entry is expanded with the caption "Folio Item" to provide sub-information for the expense. The Company's policy, which is consistent with the Internal Revenue Service's requirements, requires: (a) an expense report for all travel and lodging expenses, and (b) individual receipts for expenditures in excess of \$25.

6. No Luxury Items are Included in Requested Rate Case Expenses

It is the Company's policy that no first class airfare, private aircraft, alcohol, or other luxury items are included in the requested rate case expenses. The employee expense

reports and receipts provided by outside professionals are scrutinized to remove these items from the requested rate case expenses. To the extent any meal charges are in excess of \$25/person, the amount in excess of \$25/person has been excluded.

7. Exceptions Noted

Exceptions noted on review of the requested rate case expenses are identified on a summary schedule at the beginning of each tabbed section of SWEPCO's filing or on the accompanying invoices and other documentation supporting a particular vendor's or Company employee's expenses. The excepted amounts have been excluded from the amount of the requested rate case expenses.

EXECUTIVE SUMMARY OF MICHAEL A. BAIRD

Michael A. Baird, the Managing Director of Accounting Policy and Research for American Electric Power Service Corporation, presents Southwestern Electric Power Company's (SWEPCO or Company) requested total company cost of service, rate base, and related adjustments. In addition, Mr. Baird addresses the amount of pension cost, postretirement benefit cost, and postemployment benefit cost that the Company is requesting to include for ratemaking purposes. Mr. Baird also supports the inclusion in rate base of the additional cash investment in the pension trust fund recorded as a prepaid pension asset in accordance with generally accepted accounting principles that benefits customers through reduced pension cost. Finally, Mr. Baird supports recovery of certain rate case expenses, specific workings of the proposed catastrophe reserve, incentive adjustments, employee benefit adjustments, Dolet Hills Power Station unrecovered costs and other pro forma cost of service and rate base adjustments.

PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF
SOUTHWESTERN ELECTRIC POWER COMPANY
FOR AUTHORITY TO CHANGE RATES

DIRECT TESTIMONY OF
MICHAEL A. BAIRD
FOR
SOUTHWESTERN ELECTRIC POWER COMPANY

OCTOBER 2020

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EXHIBITS

| <u>EXHIBIT</u> | <u>DESCRIPTION</u> |
|----------------|---|
| EXHIBIT MAB-1 | Schedules Sponsored or Co-Sponsored with Other Witnesses |
| EXHIBIT MAB-2 | Summary and brief description of each of the adjustments to SWEPCO's cost of service in Schedule A-3 and Schedule B-1.5 along with the appropriate sponsor or co-sponsor, and adjustments to rate base made by SWEPCO |
| EXHIBIT MAB-3 | Actuarial Reports |
| EXHIBIT MAB-4 | Dolet Hills Recommendation |
| EXHIBIT MAB-5 | Pension Prepayment Benefit |
| EXHIBIT MAB-6 | Travel and Entertainment Policy |

1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

3 A. My name is Michael A. Baird, and my business address is 1 Riverside Plaza,
4 Columbus, Ohio 43215. I am the Managing Director of Accounting Policy and
5 Research for American Electric Power Service Corporation (AEPSC), a subsidiary of
6 American Electric Power Company, Inc. (AEP).

7 Q. PLEASE PROVIDE A SUMMARY OF YOUR EDUCATIONAL BACKGROUND.

8 A. I received a Bachelor of Science in Business Administration, Accounting and
9 Management Information Systems major, in 1987 from The Ohio State University. I
10 am a Certified Public Accountant (CPA) in the state of Ohio. My registered status is
11 currently inactive. I am a member of the American Institute of CPAs.

12 Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

13 A. I worked for Arthur Andersen & Co. (AA&Co) in Atlanta, Georgia as Audit Staff,
14 Senior and Manager in increasing roles of responsibility from 1987 until 1995. At
15 AA&Co, I assisted in and managed audits and examinations of financial statements of
16 public utilities filed with the United States Securities and Exchange Commission
17 (SEC) and Federal Energy Regulatory Commission (FERC).

18 In 1995, I joined Cardinal Health, Inc. (Cardinal) in Columbus, Ohio as
19 Division Controller and was responsible for accounting and financial operations of
20 the Drug Distribution Brokerage Division. In 1998, I transferred to Cardinal's
21 Corporate Audit group and eventually led the audit function as Corporate Audit
22 Director. In 2001, I accepted a position as Finance Director and Treasurer of

1 ArcLight Systems, an affiliate of Cardinal, where I established and led the accounting
2 and finance operations.

3 In 2004, I joined AEP in Columbus, Ohio as Manager and eventually Director
4 of External Financial Reporting for AEPSC. In roles of increasing responsibility, I
5 assisted and directed the preparation and filing of financial statements with the SEC.
6 In 2008, I accepted a position in Accounting Policy and Research as Director and
7 eventually Managing Director in 2014, which is my current role. In my role, I lead
8 efforts to explain, defend, and document accounting determinations for external
9 auditors and determine accounting for large complex sale and purchase transactions
10 and asset impairments. I research and resolve complex pension and other
11 postemployment benefits accounting issues as liaison with external actuaries. I lead
12 in the accounting resolution of various operational issues involving insurance
13 recoveries, plant closures, asset management, nuclear decommissioning and other
14 strategic initiatives. I support the ledger accounting team and rate case filings in
15 various jurisdictions.

16 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY?

17 A. Yes, I have filed testimony before the Louisiana Public Service Commission. I have
18 not filed any testimony before the Public Utility Commission of Texas (PUC or
19 Commission).

1 II. PURPOSE OF TESTIMONY

2 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

3 A. The purpose of my testimony is to present Southwestern Electric Power Company's
4 (SWEPCO or the Company) requested total company cost of service, rate base, and
5 related adjustments. I sponsor or co-sponsor various pro forma adjustments made to
6 the per book amounts. In addition, I will present testimony addressing the amount of
7 pension cost, postretirement benefit cost, and postemployment benefit cost that the
8 Company is requesting to include for ratemaking purposes. I support the inclusion in
9 rate base of the additional cash investment in the pension trust fund recorded as a
10 prepaid pension asset in accordance with generally accepted accounting principles
11 that benefits customers through reduced pension cost. I support recovery of certain
12 rate case expenses, specific workings of the proposed catastrophe reserve, incentive
13 adjustments, employee benefit adjustments, Dolet Hills unrecovered costs and other
14 pro forma cost of service and rate base adjustments.

15 Q. WHAT EXHIBITS ARE YOU SPONSORING?

16 A. I am sponsoring EXHIBITs MAB-1 through MAB-6, as listed in the table of contents
17 to my testimony.

18 Q. DO YOU SPONSOR OR CO-SPONSOR ANY SCHEDULES IN THE RATE
19 FILING PACKAGE (RFP) FILED IN THIS PROCEEDING?

20 A. Yes. I sponsor or co-sponsor several schedules filed in this proceeding. EXHIBIT
21 MAB-1 identifies the schedules that I am sponsoring or co-sponsoring with other
22 witnesses.

1 Q. HOW DID SWEPCO PREPARE THE SCHEDULES IDENTIFIED IN EXHIBIT
2 MAB-1?

3 A. The schedules were prepared from the books and accounts of SWEPCO based on the
4 test year ending March 31, 2020, with appropriate adjustments as discussed later in
5 my testimony. The books and accounts of SWEPCO are kept in compliance with the
6 Federal Energy Regulatory Commission (FERC) Uniform System of Accounts as
7 prescribed in Public Utility Regulatory Act (PURA) § 14.151 and 16 Tex. Admin.
8 Code (TAC) § 25.72(c)(1). SWEPCO maintains the books and records at AEPSC's
9 office in Tulsa, Oklahoma, as approved in PUC Docket No. 19265.

10 Q. PLEASE SUMMARIZE THE REVENUES, COST OF SERVICE, RATE BASE,
11 AND RETURN AMOUNTS SWEPCO REQUESTS THE COMMISSION
12 APPROVE IN THIS PROCEEDING.

13 A. The following table summarizes the Company results presented by SWEPCO in this
14 filing.

| DESCRIPTION | AMOUNT |
|--|-----------------|
| Total Company Rate Base | \$5,389,281,028 |
| Weighted Average Cost of Capital | 7.22% |
| Total Company Return on Rate Base | \$389,318,076 |
| Total Company Fuel, Purchase Power and O&M Expense | \$553,366,363 |
| Total Company Depreciation and Amortization | \$275,368,632 |
| Total Company Taxes Other than Income Taxes | \$100,291,531 |
| Total Company Income Taxes | \$65,445,544 |
| Total Company Cost of Service | \$1,383,790,146 |
| Total Company Present Revenues | \$1,155,370,411 |
| Total Company Base Rate Increase | \$228,419,735 |
| Texas Retail Base Rate Deficiency | \$105,026,238 |
| Texas Retail Test Year TCRF Revenues | (\$9,398,074) |
| Texas Retail Test Year DCRF Revenues | (\$5,428,428) |
| Net Texas Retail Bill Change | \$90,199,736 |

1 Q. IN YOUR TESTIMONY, DO YOU AND OTHER WITNESSES REFER TO
2 TOTAL COMPANY NUMBERS OR TO TEXAS RETAIL NUMBERS WHEN
3 DISCUSSING COSTS OR ADJUSTMENTS THAT YOU AND THE OTHER
4 WITNESSES SUPPORT?

5 A. Unless stated otherwise, the other witnesses and I utilize the total company numbers
6 for costs and adjustments supported in the testimony. SWEPCO then takes the Texas
7 retail portion of these numbers for revenue requirement and cost allocation purposes.
8 SWEPCO witness John O. Aaron addresses the allocation of costs to SWEPCO's
9 Texas retail jurisdiction.

10

11 III. COMPLIANCE WITH PURA SECTIONS 36.051 THROUGH 36.065

12 Q. HAS SWEPCO COMPLIED WITH THE REQUIREMENTS OF PURA
13 SUBCHAPTER B COMPUTATION OF RATES - §§ 36.051 THROUGH 36.065?

14 A. Yes. SWEPCO has complied with PURA §§ 36.051 through 36.065. Following is a
15 discussion of the items specifically addressed in these sections.

16 A. Overall Revenues

17 Q. IF THE COMMISSION APPROVES SWEPCO'S FILED RATES, WILL IT
18 PERMIT THE COMPANY A REASONABLE OPPORTUNITY TO EARN A
19 REASONABLE RETURN ON THE COMPANY'S INVESTED CAPITAL AS
20 REQUIRED IN PURA § 36.051?

21 A. Yes, it will. Each SWEPCO witness in this proceeding supports a part of this filing,
22 which if approved would result in rates that will allow SWEPCO a reasonable

1 opportunity to earn a reasonable return. The testimony of these witnesses
2 demonstrates that the expenses requested in this filing are reasonable and necessary in
3 providing utility service.

4 B. Reasonable Return

5 Q. DID SWEPCO CONSIDER THE REQUIREMENTS OF PURA § 36.052 WHEN
6 DEVELOPING ITS RECOMMENDED RETURN?

7 A. Yes, it did. SWEPCO witness Renee V. Hawkins sponsors SWEPCO's overall cost
8 of capital and capital structure, while SWEPCO witness Dylan D'Ascendis discusses
9 and supports SWEPCO's requested return on common equity. In addition, various
10 SWEPCO witnesses discuss the other factors listed in this section related to
11 SWEPCO's utility operations.

12 C. Components of Invested Capital

13 Q. ARE THE COMPONENTS OF SWEPCO'S INVESTED CAPITAL BASED ON
14 THE ORIGINAL COST LESS DEPRECIATION OF PROPERTY USED BY AND
15 USEFUL TO SWEPCO IN PROVIDING SERVICE, AS REQUIRED BY
16 PURA § 36.053?

17 A. Yes, they are. The Company has not proposed any post-test year adjustment in
18 accordance with 16 TAC § 25.231(c)(2)(F).

19 D. Construction Work in Progress

20 Q. HAS SWEPCO INCLUDED ANY CONSTRUCTION WORK IN PROGRESS
21 (CWIP) IN ITS RATE BASE UNDER PURA § 36.054?

22 A. No.

1 E. Separations and Allocations

2 Q. HAVE THE COSTS OF FACILITIES, REVENUES, EXPENSES, TAXES AND
3 RESERVES BEEN SEPARATED AND ALLOCATED PROPERLY AS
4 REQUIRED BY PURA § 36.055?

5 A. Yes, they have, to the extent applicable.

6 F. Depreciation, Amortization and Depletion

7 Q. DOES SWEPCO'S FILING INCLUDE PROPER DEPRECIATION,
8 AMORTIZATION AND DEPLETION RATES AS DEFINED IN PURA § 36.056?

9 A. Yes. In his testimony, SWEPCO witness Jason Cash supports and discusses the
10 depreciation rates utilized in this proceeding.

11 G. Net Income

12 Q. DID SWEPCO PROPERLY CALCULATE REVENUES AND EXPENSES AS
13 DEFINED IN PURA § 36.057?

14 A. Yes. This filing includes the appropriate revenues and the reasonable and necessary
15 costs allowed under PURA in determining net income. This filing excludes costs
16 specifically prohibited by PURA.

17 H. Transactions With Affiliates

18 Q. DOES SWEPCO MAKE PAYMENTS TO AFFILIATES THAT ARE INCLUDED
19 IN THE COST OF SERVICE IN THIS FILING?

20 A. Yes. SWEPCO makes payments to its affiliates for expenses it incurred that benefit
21 its operations, billed to SWEPCO, and are included in its cost of service.

1 The direct testimony of SWEPCO witness Brian J. Frantz, Patrick L.
2 Baryenbruch and other witnesses discuss additional information about affiliate costs.
3 All of SWEPCO's affiliate costs are reasonable and necessary for the provision of
4 electric service, and AEPSC supplies services at prices no higher than those charged
5 by AEPSC to other affiliates or to a nonaffiliated person.

6 I. Income Taxes

7 Q. HAS SWEPCO COMPUTED ITS FEDERAL INCOME TAXES IN
8 ACCORDANCE WITH PURA §§ 36.059 AND 36.060?

9 A. Yes. The testimony of SWEPCO witness David Hodgson contains a complete
10 discussion of the method and manner of federal income taxes calculations. That
11 testimony demonstrates that SWEPCO has computed the federal income tax expense
12 included in its cost of service in accordance with the provisions of PURA §§ 36.059
13 and 36.060. In addition, Mr. Hodgson addresses SWEPCO's excess deferred income
14 taxes as required by Docket No. 46449 Ordering Paragraph No. 10.

15 J. Legislative Advocacy Expenses

16 Q. PURA §§ 36.061 AND 36.062 EXCLUDE LEGISLATIVE ADVOCACY
17 EXPENSES FROM THE COST OF SERVICE FOR RATEMAKING PURPOSES.
18 DO THE RATES PROPOSED IN THIS FILING REFLECT SWEPCO'S
19 LEGISLATIVE ADVOCACY EXPENSES?

20 A. No, they do not. SWEPCO excludes expenditures from the cost of service, including
21 those billed to it by AEPSC, made for advocating a position to the public with respect
22 to referenda, legislation, or ordinances, or for advocating its position on such items

1 before public officials. The excluded expenses reflect SWEPCO expenses related to
2 legislative advocacy, as well as the portion of the dues to Edison Electric Institute
3 (EEI) for legislative advocacy purposes. SWEPCO has also excluded payments to the
4 Association of Electric Companies of Texas. The testimony of SWEPCO witness
5 Brian Bond addresses legislative monitoring expenditures not removed from
6 SWEPCO's filing.

7 SWEPCO records these expenses in non-operating expense accounts in
8 accordance with the FERC Uniform System of Accounts. The direct testimony of Mr.
9 Frantz discusses additional information about AEPSC-related legislative advocacy
10 expenses removed from SWEPCO's cost of service.

11 K. Contributions and Donations

12 Q. HAS SWEPCO INCLUDED ANY ADVERTISING, CONTRIBUTIONS AND
13 DONATIONS EXPENSES IN ITS PROPOSED COST OF SERVICE AS
14 PERMITTED BY PURA § 36.061 AND 16 TAC § 25.231(b)(1)(E)?

15 A. Yes, it has. 16 TAC § 25.231(b)(1)(E) permits contributions, donations, and
16 advertising in the cost of service subject to a limit of 0.3% of test year revenues which
17 equates to \$3.5 million. SWEPCO has included \$2,447,605, of contributions,
18 donations, advertising, and memberships, which is less than 0.3% of test year adjusted
19 revenues, in its cost of service. The direct testimony of Mr. Brian Bond discusses
20 additional information about advertising, contributions and donations.

1 L. Rate-Case Expenses

2 Q. HAS SWEPCO INCLUDED ANY RATE CASE EXPENSES IN THIS FILING?

3 A. SWEPCO has provided an estimate of incremental rate-case expenses in Schedule
4 G-14.1 for this proceeding.

5 Schedule G-14.2 provides incremental rate-case expenses for various
6 proceedings that SWEPCO proposes for recovery in a separate rider as discussed by
7 SWEPCO witnesses Lynn Ferry-Nelson and Jennifer L. Jackson. Contained on this
8 schedule are rate-case expenses for Docket Nos. 49042,¹ 46449 (appellate expenses),²
9 and 40443 (appellate expenses).³ I provide additional information regarding these
10 expenses later in my direct testimony.

11 Q. IS SWEPCO SEEKING RECOVERY OF THESE EXPENSES IN THIS
12 PROCEEDING?

13 A. Yes. Specifically, SWEPCO proposes that to the extent possible, the Commission
14 review in this proceeding the reasonableness of the expenses SWEPCO incurs in
15 connection with this proceeding, including expenses incurred to reimburse
16 intervening municipalities. Ms. Ferry-Nelson has attached as exhibits to her
17 testimony detailed information regarding and documentation supporting the
18 reasonableness of SWEPCO's actual, unrecovered rate-case expenses that have been

¹ *Application of Southwestern Electric Power Company to Amend its Transmission Cost Recovery Factor*, Docket No. 49042, Final Order (Jul. 18, 2019).

² *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 46449, Order on Rehearing (Mar. 19, 2018) (only appellate expenses incurred after April 13, 2020, are at issue in this case).

³ *Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs*, Docket No. 40443, Order on Rehearing (Mar. 6, 2014) (only appellate expenses incurred after April 13, 2020, are at issue in this case).

1 incurred during the preparation of this case and recorded to SWEPCO's books and
2 records as of July 31, 2020. SWEPCO will supplement these exhibits to reflect its
3 actual expenses for this case as such expenses are incurred. SWEPCO recognizes,
4 however, that it is impossible to review all of the expenses associated with this case in
5 this case because at the time this case proceeds to hearing a portion of both
6 SWEPCO's and any intervening municipalities' actual rate-case expenses not yet
7 incurred will be unknown. Accordingly, SWEPCO expects the parties to agree on a
8 cut-off date for expenses that will be reviewed in this case. Ms. Ferry-Nelson
9 presents SWEPCO's proposal for: (1) the Commission's review of the rate-case
10 expenses incurred both before and after this cut-off date; and (2) recovery of any
11 expenses found to have been reasonably incurred through SWEPCO's Rate Case
12 Expense Rider (RCE Rider).

13 M. Disallowed Payments for Costs of
14 Facilities Not Selling Power in the State of Texas

15 Q. HAS SWEPCO INCLUDED IN ITS COST OF SERVICE ANY PAYMENTS
16 MADE TO COVER COSTS OF AN ACCIDENT, EQUIPMENT FAILURE, OR
17 NEGLIGENCE AT A UTILITY FACILITY OWNED BY A PERSON OR
18 GOVERNMENTAL BODY NOT SELLING POWER INSIDE THE STATE OF
19 TEXAS AS DESCRIBED IN PURA § 36.062?

20 A. No, it has not.

1 N. Costs of Processing Refunds or Credits

2 Q. AS DESCRIBED IN PURA § 36.062, HAS SWEPCO INCLUDED IN ITS COST OF
3 SERVICE ANY COST OF PROCESSING A REFUND OR CREDIT UNDER
4 SECTION 36.110 OF PURA?

5 A. No, it has not.

6 O. Profit or Loss from the Sale or Lease of Merchandise

7 Q. DOES SWEPCO'S FILING INCLUDE ANY PROFIT OR LOSS FROM THE SALE
8 OR LEASE OF MERCHANDISE AS DESCRIBED IN PURA § 36.063?

9 A. No, it does not.

10 P. Self-Insurance

11 Q. HAS THE COMPANY HAD A SELF-INSURANCE RESERVE IN THE PAST AS
12 DESCRIBED IN PURA § 36.064?

13 A. No, it has not.

14 Q. IS SWEPCO REQUESTING ESTABLISHMENT OF A SELF-INSURANCE
15 RESERVE FOR TEXAS STORM RESTORATION COSTS IN THIS CASE?

16 A. Yes, it is. SWEPCO witness Greg Wilson addresses the scope of the self-insurance
17 reserve. His analysis establishes that a self-insurance reserve is beneficial to
18 customers. Later in my testimony, I address the specific pro forma adjustment
19 associated with SWEPCO's request.

20 Q. IS THIS STORM RESERVE REQUEST PATTERNED AFTER A CATASTROPHE
21 RESERVE THAT HAS BEEN APPROVED BY THE COMMISSION?

1 A. Yes, it is. SWEPCO patterned this request after the catastrophe reserve approved for
2 AEP Texas in various rate cases. What this means is that SWEPCO will utilize the
3 reserve for a major storm for which incremental expenses exceed \$500 thousand for a
4 single event. Thus, the reserve will not include small storms, but is available for
5 larger storms that cost at least \$500 thousand and relate to SWEPCO's Texas retail
6 operations. For example, if there is a \$1 million storm in Northwest Arkansas, that
7 would not qualify. However, if that storm related to East Texas, then it would
8 qualify.

9 Q. WHY IS A SELF-INSURANCE RESERVE WARRANTED?

10 A. Major storm costs are outside the control of SWEPCO and SWEPCO cannot predict
11 such costs. Such expenditures are by their nature unpredictable, as confirmed by the
12 Commission's rule, which requires that the utility design the reserve to recover
13 expenses that cannot reasonably be included in base rates.

14 Q. PLEASE EXPLAIN THE ACCOUNTING SWEPCO WILL IMPLEMENT FOR
15 THE PROPOSED MAJOR STORM CATASTROPHE RESERVE FOR TEXAS.

16 A. On a monthly basis, SWEPCO will charge \$140,808 (1/12 of \$1,689,700) to
17 Operations and Maintenance expense and credit FERC Account 228.1 Accumulated
18 Provision for Property Insurance. If incremental operations and maintenance (O&M)
19 losses for major storms (i.e., eligible expenses) exceed \$500,000 from a single event,
20 SWEPCO will charge the losses against the reserve (FERC Account 228.1).

21 Q. HOW WILL SWEPCO DETERMINE THE ELIGIBLE LOSSES OR
22 INCREMENTAL O&M EXPENSES TO CHARGE TO THE RESERVE?

1 . SWEPCO captures storm restoration costs by project. Eligible losses to charge
2 against the reserve would exclude capitalized costs and regular labor expenses
3 incurred. Since SWEPCO recovers regular labor in its base rate revenue requirement,
4 SWEPCO will not charge these expenses against the storm reserve. The remaining
5 O&M expense (i.e., incremental and not capitalized) includes materials and supplies
6 charged directly to the storm work order, charges from other AEP operating
7 companies, charges from outside contractors, and overtime that is not recovered in
8 SWEPCO's base rates. As required by the FERC Uniform System of Accounts,
9 SWEPCO will maintain adequate records according to the year the loss occurred.
10 This will permit the Commission to review charges to the reserve account for
11 reasonableness.

12 Q. HOW WILL SWEPCO TREAT THE CATASTROPHE RESERVE IN FUTURE
13 RATE FILINGS?

14 A. In future rate filings, SWEPCO will treat the catastrophe reserve amount as a
15 reduction to its Texas jurisdictional rate base if the amounts credited to the reserve
16 exceed the charges against the reserve (an excess or regulatory liability). If the
17 charges to the reserve exceed the amounts credited to the reserve (a shortage or
18 regulatory asset), SWEPCO will add the regulatory asset to rate base. This is the
19 treatment required in PURA §36.064 (d)(2).

20 Q. Pension and Other Postemployment Benefits

21 Q. HAS THE COMPANY INCLUDED PENSION AND OTHER POSTEMPLOYMENT
22 BENEFITS IN COMPLIANCE WITH PURA § 36.065?

1 A. Yes, it has. Actuarial or other similar studies in accordance with generally accepted
2 accounting principles determine the amount requested by the Company for pension and
3 other postemployment benefits (including postretirement benefits and postemployment
4 benefits). The applicable accounting pronouncements that establish generally accepted
5 accounting principles for these costs during the test year are as follows:

- 6 • For pension cost – Financial Accounting Standards Board (FASB) Accounting
7 Standards Codification (ASC) 715-30. Compensation – Retirement Benefits
8 Defined Benefit Plans - Pension;
- 9 • For postretirement benefit cost - FASB ASC 715-60 Compensation – Retirement
10 Benefits Defined Benefit Plans – Other Postretirement; and
- 11 • For postemployment benefit cost - FASB ASC 712-10 Compensation –
12 Nonretirement Postemployment Benefits.

13 These accounting pronouncements mandate that SWEPCO base the accounting
14 for a company's pension, postretirement benefit, and postemployment benefit costs on
15 accrual accounting, rather than on a cash basis. Accordingly, PURA § 36.065 specifies
16 that pension, postretirement benefit, and postemployment benefit costs to be included
17 for ratemaking purposes must be based on accrual accounting in accordance with the
18 applicable FASB Statement, instead of being determined on a cash basis.

19 Q. DOES THE PURA § 36.065 REQUIREMENT TO FOLLOW GENERALLY
20 ACCEPTED ACCOUNTING PRINCIPLES ALSO AFFECT THE PREPAID
21 PENSION ASSET TO BE INCLUDED IN RATE BASE?

22 A. Yes. SWEPCO records an additional cash investment in the pension trust fund as a
23 prepaid pension asset in accordance with generally accepted accounting principles under
24 ASC 715-30. The prepaid pension asset is the cumulative additional pension cash
25 contributions beyond the amount of pension cost. Accordingly, an additional cash

1 investment recorded as a prepaid pension asset should be included in rate base under
2 PURA § 36.065.

3 Q. HAS THIS COMMISSION ISSUED A FINAL RATE ORDER WITH REGARD TO
4 THE APPLICATION OF PURA § 36.065?

5 A. Yes. The Commission's final order for TCC in Docket No. 33309 approved the
6 inclusion for ratemaking purposes of TCC's pension cost, postretirement benefit cost,
7 and postemployment benefit cost as determined by actuarial studies in accordance with
8 generally accepted accounting principles ASC 715-30, ASC 715-60, and ASC 712-10,
9 respectively. The order also recognized that SWEPCO consider additional pension
10 contributions recorded as a prepaid pension asset in accordance with generally accepted
11 accounting principles under ASC 715-30 as appropriate cash investments included in
12 rate base.

13 In SWEPCO Docket No. 40443, the Commission affirmed the TCC decision
14 and included in the cost of service the actuarially determined amounts and also included
15 the operations and maintenance (O&M) portion of the prepaid pension asset in rate
16 base and permitted SWEPCO to accrue Allowance for Funds Used During
17 Construction (AFUDC) on the Texas retail portion capitalized to CWIP.

18 In SWEPCO Docket No. 46449, SWEPCO filed its case following the previous
19 TCC and SWEPCO decisions. No party challenged the inclusion of the pension
20 prepayment in rate base or the associated AFUDC. I have provided the Texas retail
21 AFUDC amount to SWEPCO witness John Aaron who will properly allocate the

1 amount to SWEPCO's Texas retail jurisdiction in his jurisdictional cost of service
2 study.

3
4 IV. COST OF SERVICE

5 A. RFP Schedule A – Overall Cost of Service

6 Q. WILL YOU PLEASE PROVIDE AN OVERVIEW OF HOW THE COST OF
7 SERVICE SCHEDULES WERE PREPARED?

8 A. Yes. The schedules were prepared utilizing a historical test year ending March 31,
9 2020. The rate base schedules start with actual balances at March 31, 2020, with
10 adjustments to reflect a 13-month average of actual balances for the period of March
11 2019 through March 2020, when necessary. The expense schedules start with the
12 actual expense amounts for the test year ending March 31, 2020. I have made
13 appropriate adjustments to both rate base and expense, which I discuss subsequently
14 in my testimony.

15 Q. BRIEFLY DESCRIBE RFP SCHEDULE A.

16 A. RFP Schedule A summarizes SWEPCO's cost of service on a total company basis
17 with adjustments to the test year ending March 31, 2020. Column (1) of RFP
18 Schedule A describes the components of SWEPCO's cost of service. Column
19 (2) identifies the schedule or workpaper supporting the components identified in
20 Column (1). Columns (3), (4), (5), and (6) contain the test year book amounts, pro
21 forma adjustments, post-test year adjustment, and adjusted amounts for each cost of
22 service component. Column (7) shows the Total Company revenue deficiency on

1 Line 1, the Total Company operating income deficiency on Line 12 allowing
2 SWEPCO to earn its requested return on rate base and the adjustments necessitated by
3 SWEPCO's revenue deficiency. Schedule A, page 2, contains the detail of this
4 calculation. Column (8) reports the Total Company requested cost of service.
5 Workpaper Schedule A.1 contains the detail presented on Schedule A by FERC
6 account with the supporting pro forma adjustment, if any, included in Schedule A-3.

7 Q. PLEASE DESCRIBE PAGE 2 OF SCHEDULE A.

8 A. This page provides the computation of SWEPCO's total company revenue deficiency
9 based on the adjusted rate base of \$5,389,281,028 times the requested 7.22% rate of
10 return to arrive at the requested test year operating income of \$389,318,076. This
11 amount when compared to the test year pro forma operating income of \$214,064,948
12 as shown on page 1 of RFP Schedule A Column (6) Line 12, results in a net operating
13 income deficiency of \$175,253,128 on Schedule A Column (7) Line 12. Added to
14 this amount are the revenue related expenses, which include income taxes and other
15 expenses that vary directly with the level of revenue. The addition of the revenue-
16 related expenses result in a \$228,419,735 total company revenue deficiency.

17 Q. ARE THE EXPENSES REFLECTED ON RFP SCHEDULE A AND INCLUDED IN
18 SWEPCO'S COST OF SERVICE REASONABLE AND NECESSARY?

19 A. Yes. The testimony filed in this proceeding by various SWEPCO witnesses
20 demonstrates that the expenses included in the RFP represent reasonable and
21 necessary expenditures required for SWEPCO to fulfill its utility obligations.

1 Q. PLEASE DESCRIBE RFP SCHEDULE A-1.

2 A. RFP Schedule A-1, co-sponsored by SWEPCO witness Aaron, provides SWEPCO's
3 overall cost of service (as presented in RFP Schedule A) and the amounts allocated to
4 the Texas retail jurisdiction. Mr. Aaron describes the allocation method in his direct
5 testimony.

6 Q. PLEASE DESCRIBE RFP SCHEDULE A-2.

7 A. This schedule shows the detail of SWEPCO's cost of service in the form prescribed
8 by the PUC's RFP instructions. Column (1) of Schedule A-2 provides the description
9 of amounts included in the cost of service, rate base, revenue information and various
10 ratios. Column (2) reflects the actual test year activity, balance or factor, Column
11 (3) represents the adjustments to the per-book amounts and Column (4) reflects the
12 information on an as-requested basis. This schedule separately identifies Fuel,
13 purchased power, test year O&M not adjusted, payroll and affiliate charges from other
14 categories of expenses shown on this schedule. All other O&M expenses shown on
15 Line 7 through Line 19 are exclusive of fuel, purchased power, payroll, or affiliate
16 charges recorded (or adjusted) in the test year. Mr. Aaron co-sponsors this schedule.

17 Q. PLEASE DESCRIBE RFP SCHEDULE A-3.

18 A. RFP Schedule A-3 provides a brief description and necessary calculations to support
19 each adjustment appearing on Schedule A. EXHIBIT MAB-2 provides a summary
20 and brief description of each of these adjustments to SWEPCO's cost of service in
21 Schedule A-3 and Schedule B-1 along with the appropriate sponsor or co-sponsor. I
22 will discuss each adjustment separately later in my testimony.

1 Q. PLEASE GENERALLY DESCRIBE THE ADJUSTMENTS INCLUDED IN RFP
2 SCHEDULE A-3.

3 A. The pro forma adjustments made to SWEPCO's cost of service bring revenues and
4 expenses to a year-end level, or include in or exclude from the cost of service
5 expenses or revenues, not reflected in SWEPCO's operations as of the close of the
6 test year. These adjustments are known and measurable at the time of this filing. The
7 "Rate Year" is the 12-month period following the effective date of the new rates. For
8 this filing, the Rate Year used is April 2021 through March 2022. The resulting
9 adjusted expenses and revenues are those that, if used as the basis for setting rates for
10 the prospective period, will give SWEPCO a reasonable opportunity to recover its
11 reasonable and necessary expenses and earn a reasonable return on its investment, as
12 required by PURA § 36.051.

13 Q. DOES THE COST OF SERVICE RULE PROVIDE FOR THESE TYPES OF
14 ADJUSTMENTS?

15 A. Yes. The cost of service rule states that "rates are to be based upon an electric
16 utility's cost of rendering service to the public during a historical test year, adjusted
17 for known and measurable changes." Additionally, 16 TAC § 25.231(b) states, "only
18 the electric utility's historical test year expenses as adjusted for known and
19 measurable changes will be considered...." SWEPCO's adjustments in Schedules A-
20 3 and B-1 meet the above criteria for known and measurable changes to the historical
21 test year data.

1 Q. WHAT IS THE PURPOSE OF ADJUSTMENT A-3.1 TO PAYROLL EXPENSE?

2 A. Adjustment A-3.1 increases O&M expenses \$2,143,713 to reflect the annualized base
3 payroll expense for SWEPCO at the test year-end. The adjustment updates payroll
4 costs using the actual employees on the payroll in the last pay period of March 2020
5 and their base payroll amounts at that time. As discussed by SWEPCO witness
6 Andrew R. Carlin, the adjustment adds a salary increase of 3.5% to the March 2020
7 base payroll cost. The annualized base payroll calculation also accounts for the
8 billings of labor cost to the participants in the Flint Creek, Pirkey and Turk power
9 plants, which results in the appropriate SWEPCO amount being included in the cost
10 of service. The payroll expense portion of this adjustment was determined by
11 applying the test year actual base payroll expense/capital ratio of 69.76% to the
12 above-described annualized base payroll costs.

13 Q. PLEASE EXPLAIN ADJUSTMENTS A-3.2 and A-3.3 TO INCENTIVE
14 COMPENSATION.

15 A. Adjustment A-3.2 decreases O&M expenses \$3,866,220 to reflect the requested level
16 of incentive compensation expense for the test year annual incentive compensation
17 plan while adjustment A-3.3 decreases O&M expenses \$504,872 to reflect the
18 requested level of test year long-term incentive compensation expense.

19 Q. DO THESE ADJUSTMENTS REFLECT THE DECISION MADE IN SWEPCO'S
20 LAST BASE CASE, DOCKET NO. 46449?

21 A. Yes, they do. These calculations remove the direct financial components of
22 SWEPCO's plan and 50% of the anticipated financial funding portion of the annual

plan. These calculations remove the performance shares from the long-term incentive plan. Mr. Carlin provides additional information regarding the specific components of the requested incentive compensation in his direct testimony.

Q. WOULD YOU PLEASE SUMMARIZE INCENTIVES?

A. Yes, I will. The following tables summarize SWEPCO and AEPSC incentives. Please note that the AEPSC adjustment provided in adjustment A-3.18.

| Annual Incentive Plan | | |
|--|-------------|-------------|
| Description | SWEPCO | AEPSC |
| Per Book Expense | \$9,800,004 | \$8,942,256 |
| Reduction to Target Level | (1,878,186) | (3,367,674) |
| Target Level Incentives | \$7,921,818 | \$5,574,582 |
| Remove Direct Financial | (429,050) | (662,984) |
| Target Less Financial | \$7,492,768 | \$4,911,598 |
| Remove 50% of Financial Funding of 70%, or 35% | (1,558,984) | (1,753,868) |
| Requested Amount | \$5,933,784 | \$3,157,730 |

| Long-Term Incentive Plan | | |
|---------------------------|-----------|-------------|
| Description | SWEPCO | AEPSC |
| Per Book Expense | \$657,281 | \$3,172,220 |
| Remove Performance Shares | (504,872) | (2,330,041) |
| Requested Amount | \$152,409 | 842,179 |

Q. CAN YOU PLEASE DESCRIBE DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENT A-3.4?

A. Yes. This adjustment shows a net increase to test year per book depreciation and amortization expense of \$14.4 million. Depreciation expense is increased approximately \$10.3 million to reflect the depreciation rates discussed in the direct testimony of SWEPCO witness Cash. Mr. Cash applies his proposed rates to

1 SWEPCO's pro forma depreciable plant balances to arrive at the pro forma level of
2 depreciation expense. Amortization expense increases approximately \$4.1 million to
3 reflect the amortization expense on SWEPCO's test year ending intangible plant
4 balances.

5 Q. DOES SWEPCO'S FILING INCLUDE DEPRECIATION ON THE DOLET HILLS
6 POWER STATION?

7 A. Yes, it does. As detailed in the Direct Testimony of SWEPCO witness Thomas P.
8 Brice and later in my testimony, SWEPCO proposes to offset the Texas retail portion
9 of the net book value of Dolet Hills Power Station with two Texas Tax Cut and Jobs
10 Act (TCJA) related liabilities. SWEPCO then expenses the expected remaining Dolet
11 Hills net book value over four years (anticipated time-period between rate cases).

12 Q. WHAT IS THE PURPOSE OF ADJUSTMENT A-3.5 FOR FACTORING
13 EXPENSE?

14 A. Adjustment A-3.5 decreases test year factoring expense \$1,296,219 to reflect
15 SWEPCO's adjusted total revenue requirement and applies the pro forma factoring
16 rate to revenues. Factoring expenses have previously been included in electric
17 utilities' cost of service by the Commission. WP/A-3.5 provides the detail supporting
18 SWEPCO's factoring expense calculation.

19 Q. CAN YOU BRIEFLY DESCRIBE THE FACTORING EXPENSES REQUESTED
20 IN SWEPCO'S COST OF SERVICE?

21 A. Yes. The factoring expense requested in SWEPCO's cost of service includes a
22 carrying charge component and a bad debt expense component that reflects the

1 discount due to the sale of SWEPCO's electric accounts receivable to AEP Credit.
2 The discount is determined by applying the sum of the carrying charge component
3 and the bad debt expense component to the face value of the accounts receivable sold.
4 Schedule G-10 provides a more detailed explanation of the factoring rate calculation
5 as well as the contracts between AEP Credit and SWEPCO. SWEPCO witness
6 Hawkins further discusses factoring.

7 Q. WHAT IS THE PURPOSE OF ADJUSTMENT A-3.6 FOR MISCELLANEOUS
8 RIDERS?

9 A. Adjustment A-3.6 removes from SWEPCO's cost of service \$17,779,451 of test year
10 expenses that are recoverable through the PUC approved Energy Efficiency Cost
11 Recovery Factor, the Arkansas Public Service Commission (APSC) approved Energy
12 Efficiency Rider for the Arkansas jurisdiction, and the Louisiana Public Service
13 Commission (LPSC) approved Energy Efficiency Rider and vegetation management
14 costs for the Valley district being recovered through the fuel adjustment rider. Please
15 note that I remove rate-case expenses recovered through the Rate Case Expense
16 Surcharge in Adjustment A-3.19 as detailed later in my direct testimony.

17 Q. WHAT IS THE PURPOSE OF ADJUSTMENT A-3.7?

18 A. Adjustment A-3.7 decreases O&M expenses by \$616,316 related to retired power
19 plants Knox Lee, Lone Star, and Lieberman. Mr. McMahon discusses this adjustment
20 in his testimony.

1 Q. WHAT IS THE PURPOSE OF ADJUSTMENT A-3.8?

2 A. Adjustment A-3.8 increases Amortization expenses by \$2,505,487 to remove non-
3 Texas amortization expense and annualize Welsh Unit amortization in accordance
4 with the Commission's authorization in Docket No. 46449.

5 Q. CAN YOU EXPLAIN ADJUSTMENT A-3.9 FOR CREDIT LINE FEES?

6 A. Yes. Adjustment A-3.9 includes in the cost of service credit line fee expenses of
7 \$696,993 charged to FERC Account 431, Other Interest Expense. These expenses are
8 associated with letter of credit fees for the AEP System Money Pool. The
9 commission has previously allowed credit line fees in the cost of service for
10 SWEPCO. Ms. Hawkins discusses the benefits of the Money Pool in her direct
11 testimony.

12 Q. WOULD YOU PLEASE EXPLAIN ADJUSTMENTS A-3.10, A-3.11, AND A-3.12
13 TO EMPLOYEE BENEFIT EXPENSES?

14 A. These adjustments increase the cost of service \$2,920,859 to reflect the known and
15 measurable changes to the test year expenses for ASC 715-30 pension expense
16 (A-3.10), ASC 715-60 Other Post-Retirement Benefits expense (A-3.11) and
17 ASC 712-10 Post-Employment Benefits (OPEB) expense (A-3.12). The individual
18 amounts are an increase of \$2,649,813 for ASC 715-30 pension expense, an increase
19 of \$546,861 for ASC 715-60 expense and a decrease of \$275,815 for ASC 712-10
20 expense. Workpapers to Schedule A-3 provide additional details regarding these
21 expenses. These pro forma amounts reflect the costs being recorded by SWEPCO in
22 2020 as presented in the 2020 actuarial studies, which are the latest available actuarial

1 studies performed by Willis Towers Watson, the Company's independent actuary.
2 EXHIBIT MAB-3 includes these actuarial reports. SWEPCO applies the test year
3 actual payroll expense/capital ratio of 69.71% to these 2020 costs to determine the pro
4 forma level of expense to include in the cost of service. As noted earlier, these
5 amounts and adjustments comply with PURA § 36.065 and orders in PUC Docket
6 Nos. 33309, 40443, and 46449. To the extent SWEPCO receives services provided by
7 personnel of an affiliate, SWEPCO witness Frantz discusses in his testimony the
8 assignment to the Company of a portion of affiliate costs, including employee pensions
9 and benefits.

10 Q. HAVE YOU REMOVED THE SUPPLEMENTAL PENSION PLAN EXPENSE?

11 A. Yes, I have. Although the Company believes this expense should be included in
12 SWEPCO's cost of service, I have removed this expense to be consistent with
13 Commission precedent.

14 Q. DOES THE 2020 PENSION ACTUARIAL REPORT DETERMINE THE FINAL
15 2020 PENSION BENEFIT COST INCURRED BY THE COMPANY, ASIDE FROM
16 ANY SIGNIFICANT EVENT OCCURRING SUBSEQUENT TO DECEMBER 31,
17 2019?

18 A. Yes, it does. To date, no such event has occurred in 2020.

19 Q. WHAT IS THE FUNDED POSITION OF THE COMPANY'S PENSION PLAN?

20 A. The Company's qualified pension plan was about 93.9 percent funded in terms of the
21 ASC 715-30 benefit obligation at December 31, 2019.

1 Q. DOES THE COMPANY'S TREATMENT OF POSTRETIREMENT BENEFITS
2 COMPLY WITH THE ASPECTS OF THE COMMISSION'S REQUIREMENTS IN
3 16 TAC § 25.231(b)(1)(H)?

4 A. Yes. As I have mentioned above, generally accepted accounting principles mandate
5 accrual accounting, and the Company's request comports with
6 16 TAC § 25.231(b)(1)(H)(iii), which authorizes the use of accrual accounting for
7 postretirement benefit cost when "GAAP requires [an] electric utility to report OPEB
8 expenses on an accrual basis."

9 The assets in the irrevocable trusts are restricted to the exclusive purpose of
10 providing benefits to participants and their beneficiaries and generally may not revert to
11 the Company. In the event that any unused funds in the trusts become available after all
12 trust liabilities are satisfied, the Company will not distribute excess assets until the
13 Commission approves the disbursement plan. Thus, the Company's trusts conform to
14 16 TAC § 25.231(b)(1)(H)(v) and (vi).

15 Q. HOW WAS POSTRETIREMENT BENEFIT COST DETERMINED?

16 A. Willis Towers Watson, the Company's independent actuary, determines the
17 postretirement benefit cost based on accrual accounting as part of an annual actuarial
18 valuation performed under the requirements of ASC 715-60. As required by ASC 715-
19 60 and actuary industry standards, Willis Towers Watson performed the valuation using
20 reasonable actuarial methods and assumptions disclosed as Appendix A – Statement of
21 Actuarial Assumptions and Methods in the actuarial report included in EXHIBIT
22 MAB-3.

1 The actuary completed the 2020 actuarial report in April 2020. All of the
2 underlying actual economic, demographic, and health care cost data included in the
3 2020 actuarial report was complete, known and measurable.

4 Q. HOW WAS POSTEMPLOYMENT BENEFIT COST DETERMINED?

5 A. Willis Towers Watson, the Company's independent actuary, determines the Company's
6 postemployment benefit cost as part of an annual actuarial valuation performed under
7 the requirements of ASC 712-10. As required by ASC 712-10 and actuary industry
8 standards, Willis Towers Watson performed the valuation using reasonable actuarial
9 methods and assumptions disclosed as Appendix A – Statement of Actuarial
10 Assumptions and Methods in the actuarial report included in EXHIBIT MAB-3.

11 The actuary completed the 2020 actuarial report in April 2020. All of the
12 underlying actual economic and demographic data included in the 2020 actuarial report
13 was complete, known and measurable.

14 Q. WHAT IS THE PURPOSE OF OTHER TAX ADJUSTMENT A-3.13?

15 A. This adjustment decreases the cost of service \$4,666,863 to reflect changes in the
16 following taxes other than income taxes: Texas Gross Receipts tax, PUC assessment
17 fee, Federal Insurance Contribution Act (FICA) tax, ad valorem tax, municipal
18 franchise tax, and other use tax. This adjustment incorporates the changes to these
19 taxes for the known and measurable changes to SWEPCO's test year revenues,
20 payroll, plant in service, or kilowatt hour (kWh) sales. RFP Schedule G-9 lists the
21 adjustments identified above while WP/A-3.13 provides the supporting detail.

1 Adjustments to SWEPCO's test year revenue require a change in the Texas
2 State Gross Receipts Tax and the PUC assessment fee. The Texas State Gross
3 Receipts Tax increased \$51,292 while there was an \$8,163 increase in the PUC
4 Assessment Fee. SWEPCO bases both of these adjustments on test year adjusted
5 Texas base and fuel revenues. SWEPCO calculates the Texas State Gross Receipts
6 amount using an effective rate derived from test year payments and test year Texas
7 retail base and fuel revenues. The PUC Assessment Fee amount was also calculated
8 using an effective rate derived from test year payments and test year Texas retail base
9 and fuel revenues.

10 SWEPCO's FICA tax expense reflects a \$45,867 increase because of
11 SWEPCO's adjustment to base payroll and incentive compensation expense.
12 SWEPCO's test year FICA tax expense was assigned to SWEPCO's test year base
13 payroll, overtime payroll and special payroll for determining the adjustment, which is
14 a \$228,147 increase for FICA tax related to base payroll and a \$182,280 decrease
15 related to incentive compensation expense.

16 Adjustment A-3.13 reflects a \$5,049,000 increase to the ad valorem tax
17 expense included in SWEPCO's cost of service. SWEPCO calculates the increase in
18 ad valorem tax expense by applying an effective ad valorem tax rate to SWEPCO's
19 pro forma plant in service at the end of the test year. Ad valorem tax expense
20 recorded in a year reflects the taxes charged based on property values at the beginning
21 of the year (e.g., ad valorem tax expense for the calendar year 2019 is based on plant
22 values at January 1, 2019). The effective ad valorem tax rate as calculated by

1 SWEPCO synchronizes ad valorem tax expense with the plant investments included
2 in rate base that generates the associated tax.

3 The municipal franchise tax adjustment decreased the cost of service
4 \$5,303,766. SWEPCO develops the effective rate based on test year actual municipal
5 franchise taxes paid, less the amount in excess of the base amount and test year actual
6 kWh sales. SWEPCO applies this effective rate to the test year adjusted kWh sales to
7 determine the pro forma amount to include in SWEPCO's cost of service.

8 Q. WOULD YOU PLEASE DESCRIBE ADJUSTMENT A-3.14 FOR DONATIONS,
9 CONTRIBUTIONS, AND DUES AND MEMBERSHIPS?

10 A. Adjustment A-3.14 increases the cost of service \$969,409 to include donations,
11 contributions, and dues and memberships. Schedule G-4.2 details the donations and
12 contributions included in SWEPCO's request. SWEPCO accounts for donations and
13 contributions pursuant to the FERC Uniform System of Accounts, which provides
14 that such amounts be recorded "below-the-line" in FERC Account 426. Schedule
15 G-4.3 details the dues and memberships included in SWEPCO's request. This
16 adjustment to include donations, contributions, and dues and memberships plus
17 advertising expense in the cost of service made in accordance with the
18 16 TAC § 25.231(b)(1)(E), which allows the inclusion of donations, contributions,
19 and advertising in the cost of service to the extent they are reasonable and necessary
20 and do not exceed 0.3% of the gross receipts of SWEPCO. Schedule G-4 provides
21 the detail of this calculation. Please see the direct testimony of SWEPCO witness
22 Bond for support of these expenditures.

1 Q. WOULD YOU PLEASE EXPLAIN ADJUSTMENT A-3.15?

2 A. This adjustment removes the Utility Solid Waste Activities Group membership dues.
3 which total \$489.

4 Q. WOULD YOU PLEASE EXPLAIN ADJUSTMENT A-3.16 FOR STORM
5 EXPENSE?

6 A. Yes. Adjustment A-3.16 contains three individual components related to SWEPCO's
7 storm expenses. First, this adjustment removes from SWEPCO's cost of service
8 \$6,388,193 incremental O&M expenses related to restoration efforts for storms that
9 exceeded \$500,000. The amount excluded consists of all incremental O&M expense
10 incurred for storms recorded by SWEPCO in the test year. Second, this adjustment
11 includes in SWEPCO's Texas jurisdictional cost of service a \$1,689,700 annual
12 accrual to establish a major storm reserve for Texas as supported by the direct
13 testimony of SWEPCO witness Greg Wilson.

14 Q. WHY DID SWEPCO REMOVE FROM ITS COST OF SERVICE ALL
15 INCREMENTAL O&M EXPENSES RELATED TO STORMS THAT EXCEEDED
16 \$500,000?

17 A. As I discussed earlier, SWEPCO has expensed such charges on an on-going basis in
18 the past. With SWEPCO's request to establish a major storm catastrophe reserve in
19 this proceeding, SWEPCO will charge all expenses to the reserve in the future for
20 major storms that exceed \$500,000 from a single event.

21 Q. WHAT IS THE PURPOSE OF ADJUSTMENT A-3.17 FOR INDEPENDENT
22 POWER PRODUCER (IPP) INTEREST?

1 A. Adjustment A-3.17 includes in the cost of service \$373,615 interest paid by
2 SWEPCO on Transmission System Upgrades deposits held for IPPs. FERC Order
3 2003-A requires SWEPCO to refund these upfront payments, including interest, to the
4 Interconnection Customers. The interest rate is the FERC specified rate for the first
5 quarter of 2020. SWEPCO reflects the upfront payments as a rate base reduction on
6 Schedule B-1.

7 Q. WOULD YOU PLEASE EXPLAIN THE ADJUSTMENT A-3.18 FOR AFFILIATE
8 BILLINGS?

9 A. Adjustment A-3.18 reflects a \$7.5 million decrease to the test year AEPSC affiliate
10 billings recorded by SWEPCO in the cost of service. Mr. Frantz discusses this
11 cumulative adjustment in his direct testimony.

12 Q. WOULD YOU PLEASE EXPLAIN REGULATORY EXPENSE ADJUSTMENT
13 A-3.19?

14 A. Yes. Adjustment A-3.19 removes \$757,823 from the cost of service for FERC
15 assessment fees and other regulatory expenses related to proceedings in Arkansas and
16 Louisiana. SWEPCO also includes in the adjustment regulatory expenses related to
17 Texas proceedings recovered through a separate surcharge or that SWEPCO proposes
18 recovery in a separate surcharge. This schedule includes both costs incurred directly
19 by SWEPCO and costs billed to SWEPCO from AEPSC.

20 Q. PLEASE DESCRIBE ADJUSTMENT A-3.20 TO VEGETATION MANAGEMENT
21 EXPENSES.

1 A. This adjustment increases Texas distribution vegetation management expenses
2 \$5 million. SWEPCO witness Drew Seidel supports these adjustments.

3 Q. WHAT IS THE PURPOSE OF THE TAX ADJUSTMENT A-3.21?

4 A. Adjustment A-3.21 has two purposes in this filing. First, this adjustment removes a
5 negative \$1,364,764 of Arkansas and Louisiana state income tax expense from
6 SWEPCO's cost of service. Second, this adjustment decreases tax expense by
7 \$958,573 related to Texas State Gross Margin tax.

8 Q. CAN YOU PLEASE EXPLAIN ADJUSTMENT A-3.22 FOR INTEREST ON
9 CUSTOMER DEPOSITS?

10 A. Yes. Adjustment A-3.22 includes \$1,438,097 in SWEPCO's cost of service for the
11 annualized interest due on customer deposits using the PUC approved interest rate for
12 deposit refunds. The rate of 2.21%, approved in PUC Project. No. 45319, was
13 applied to the customer deposits at the end of the test year to arrive at the interest
14 expense to include in SWEPCO's cost of service.

15 Q. WHAT IS ADJUSTMENT A-3.23 FOR FEDERAL INCOME TAXES?

16 A. This \$26,121,280 increase to federal income taxes results from SWEPCO's proposed
17 pro forma adjustments. Please see the direct testimony of Mr. Hodgson for support of
18 this adjustment.

19 Q. PLEASE DESCRIBE THE PROVISION FOR RATE REFUND ADJUSTMENT ON
20 A-3.24.

1 A. Adjustment A-3.24 reflects the removal of \$52,703,884 in refund provisions for rate
2 refunds recorded in the test year. The effect of these non-Texas retail provisions
3 should not impact the level of base revenues approved in this proceeding.

4 Q. PLEASE DESCRIBE ADJUSTMENT A-3.25.

5 A. Adjustment A-3-25 removes \$129,843 of various miscellaneous O&M expenses from
6 the cost of service.

7 Q. PLEASE EXPLAIN ADJUSTMENT A-3.26 TO REVENUES.

8 A. Adjustment A-3.26 has two purposes. First, this adjustment decreases test year
9 revenues \$67,306,881 to reflect the net effect of the normalization of test year kWh
10 sales due to weather, year-end customers, and other known and measurable changes
11 associated with base revenues as supported in the direct testimony of Mr. Aaron.
12 Second, this adjustment removes \$558,716,946 test year fuel revenues (both
13 wholesale and retail) and \$55,331,777 of off-system sales revenues from SWEPCO's
14 cost of service calculation. Fuel revenues in Texas and SWEPCO's other retail
15 jurisdictions are subject to separate recovery mechanisms that have no impact on the
16 proper level of base rates that should be established in this proceeding. SWEPCO
17 credits off-system sales revenues, which include SWEPCO's share of retained off-
18 system sales margins to recoverable fuel expenses in all retail jurisdictions. In either
19 case, SWEPCO does not reflect these revenues in the determination of the proper
20 level of base rates.

21 Q. PLEASE EXPLAIN ADJUSTMENT A-3.27 TO FUEL EXPENSE.

1 A. Adjustment A-3.27 removes from SWEPCO's cost of service the test year
2 \$600,093.747 of fuel, purchased power expense and environmental consumable
3 expense. Included in this adjustment is the removal of a \$1,480,596 deferred fuel
4 expense recorded pursuant to the LPSC requirements and \$601,574.342 related to
5 fuel, purchased power expenses and environmental consumable expense. The fuel
6 and purchased power expense remaining in SWEPCO's cost of service is not eligible
7 for recovery in fuel factor revenues as described in 16 TAC § 25.236 and consists of
8 the following:

| | | |
|--|----|-------------------|
| Fuel Handling & Ash Sales Proceeds | \$ | 3,856,435 |
| AEPSC Labor Charges | | 6,144,475 |
| Pirkey Overheads (transferred from fuel to base rates in PUC Docket No 37364) | | 906,551 |
| Railcar Maintenance | | 4,820,377 |
| DHLC Equity and Related Taxes | | 1,418,466 |
| Total Non-Eligible Fuel in Account 501 | \$ | <u>17,146,304</u> |
| Purchased Power Costs | \$ | 6,621,666 |

9 Q. HAS THE COMMISSION IMPUTED CAPACITY COSTS TO ANY OF
10 SWEPCO'S POWER PURCHASE AGREEMENTS (PPAs) FOR ENERGY?

11 A. No. The Commission has reviewed SWEPCO's PPAs for the purchase of energy in
12 fuel reconciliation proceedings and SWEPCO's purchase of capacity in base rate
13 proceedings and has not imputed capacity costs to SWEPCO's purchases of energy.
14 The Commission is currently reviewing SWEPCO's fuel costs, including the purchase
15 of energy, in Docket No. 50997. The Commission has reviewed the PPAs in effect
16 during that Reconciliation Period (March 1, 2017 through December 31, 2019) in
17 prior fuel reconciliations and the cost of such purchases was included in eligible fuel
18 expense. To the extent the Commission imputes any capacity cost to SWEPCO's

1 existing PPAs for the purchase of energy in Docket No. 50997, it would be proper,
2 and SWEPCO requests, that the Commission add those costs to SWEPCO's cost of
3 service requested in this base rate proceeding.

4 Q. WHAT WOULD HAPPEN IF THE COMMISSION DETERMINES THAT SOME
5 OTHER COST DOES NOT BELONG IN ELIGIBLE FUEL IN DOCKET NO.
6 50997, BUT SWEPCO SHOULD RECOVER THE COST THROUGH BASE
7 RATES?

8 A. The Commission should add those costs to the revenue requirement in this
9 proceeding.

10 Q. HOW DOES ADJUSTMENT A-3.27 AFFECT SWEPCO'S PRESENTATION OF
11 THE RATE FILING PACKAGE SCHEDULES FOR GENERATING UTILITIES?

12 A. SWEPCO has requested waiver (Schedule V) of the filing requirements to present
13 reconcilable fuel and purchased power expenses on a rate year basis. The filing
14 requirements also require the presentation of fuel factor revenues on a rate year basis.
15 The required presentation synchronizes fuel revenues and reconcilable fuel and
16 purchased power expenses so that these components have no impact on the level of
17 base revenues. SWEPCO's presentation by removing fuel revenues, and reconcilable
18 fuel and purchased power expenses has the same effect. That is, SWEPCO
19 synchronizes these components with no impact on base revenues. Moreover, as
20 SWEPCO is not seeking to adjust its fuel factor in this proceeding, the forecast
21 revenues and expenses that would support such a presentation are not relevant to this
22 proceeding.

1 Q. PLEASE EXPLAIN THE INCLUSION OF SWEPCO'S EQUITY INVESTMENT IN
2 THE DOLET HILLS LIGNITE COMPANY (DHLC) IN ITS BASE RATE
3 REVENUE REQUIREMENT.

4 A. SWEPCO has included \$1,418,466 of DHLC equity return and related taxes in its
5 base rate revenue requirement consistent with Docket Nos. 40443 and 46449. This
6 adjustment is necessary for SWEPCO to recover the DHLC equity costs it incurs on
7 behalf of its customers. 16 TAC § 25.236(a)(1) generally precludes a utility from
8 recovering affiliate equity return through reconcilable fuel costs.

9 Q. PLEASE DESCRIBE ADJUSTMENT A-3.28 FOR MISCELLANEOUS
10 REVENUES.

11 A. Adjustment A-3.28 reflects a \$73,586,953 increase to SWEPCO's test year
12 miscellaneous revenues. Mr. Aaron discusses this adjustment in his direct testimony.

13 Q. PLEASE DESCRIBE RFP SCHEDULE A-4.

14 A. RFP Schedule A-4 provides a detailed test year-end trial balance by major FERC
15 account. The amounts shown on this trial balance are referenced or reconciled to test
16 year-end balances appearing on RFP Schedule A-2.

17 Q. PLEASE DESCRIBE RFP SCHEDULE A-5.

18 A. RFP Schedule A-5 provides a detailed listing by major FERC Account of unadjusted
19 O&M expense included in SWEPCO's cost of service. The total of this schedule ties
20 to line 3 of RFP Schedule A-2 as adjusted per RFP Schedule A-2 instructions.

B. RFP Schedule B – Rate Base and Return

Q. PLEASE DESCRIBE RFP SCHEDULE B-1.

A. RFP Schedule B-1 summarizes SWEPCO's total company original cost rate base, the requested adjustments to rate base, and the requested rate of return. The RFP Schedules identified in Column (2) supports the detail behind each component included in SWEPCO's rate base. The requested rate of return is the weighted average cost of capital provided in RFP Schedule K-1. Since there is no schedule in the RFP to list and explain adjustments to rate base comparable to Schedule A-3, SWEPCO has included as Schedule B-1.5 a listing and explanation of the rate base adjustments made in this filing.

Q. HAS SWEPCO INCLUDED ANY POST-TEST YEAR ADJUSTMENTS IN ITS RATE BASE AS REFLECTED IN RFP SCHEDULE B-1?

A. No, it has not.

Q. PLEASE DESCRIBE RFP SCHEDULE B-1.1.

A. RFP Schedule B-1.1 reflects the allocation of SWEPCO's rate base to the Texas retail jurisdiction. SWEPCO witness Aaron co-sponsors this schedule.

Q. PLEASE DESCRIBE RFP SCHEDULE B-1.2.

A. This schedule does not apply to SWEPCO since the requested plant in service is not less than 100% of the original prudent cost.

Q. PLEASE DESCRIBE RFP SCHEDULE B-1.3.

A. RFP Schedule B-1.3 reports there are no penalties or fines included in SWEPCO's requested plant in service on RFP Schedule B-1.

1 Q. PLEASE DESCRIBE RFP SCHEDULE B-1.4.

2 A. This schedule does not apply to SWEPCO since it has not requested any post-test year
3 adjustments.

4 Q. PLEASE DESCRIBE SCHEDULE B-1.5.

5 A. As I stated earlier, there is no schedule in the filing package that summarizes the
6 adjustments to rate base. Therefore, SWEPCO has accumulated all rate base
7 adjustments on Schedule B-1.5. EXHIBIT MAB-2 also lists the adjustments to rate
8 base made by SWEPCO.

9 Q. BEFORE DESCRIBING YOUR PROPOSED ADJUSTMENTS, ARE THERE ANY
10 RATE BASE COMPONENTS NOT ADJUSTED?

11 A. Yes, there are. SWEPCO does not adjust the following components of rate base.

| Description | Amount | Account/Reference |
|--|-----------------|--------------------------------------|
| Completed Construction Not Classified | \$319,647,154 | Account 106 |
| Other Electric Plant Adjustments – Turk Plant Impairment | (\$51,821,999) | Account 1160007, 1160008, 1160009 |
| Other Electric Plant Adjustments - TX Trans Veg Mgmt Cost Write-Off | (\$1,471,585) | Account 1160016, 1160019 |
| Other Electric Plant Adjustments - TX Dist Veg Mgmt Cost Write-Off | (\$3,993,357) | Account 1160017, 1160018 |
| Other Electric Plant Adjustments - TX SERP Write-Off | (\$637,842) | Account 1160020, 1160021, 1160022 |
| Other Electric Plant Adjustments - TX CWIP Incentive Write-Off | (\$12,432,748) | Account 1160023, 1160024, 1160025 |
| Other Electric Plant Adjustments - TX RWIP Incentive Write-Off | (\$499,903) | Account 1160026, 1160027, 1160028 |
| Working Cash Allowance | (\$145,220,159) | Schedule E-4 |
| Customer Deposits | (\$65,072,259) | Account 2350001 |
| SFAS #106 Medicare Subsidy | \$2,533,221 | Account 1823299 |
| IPP Credit | (\$7,532,556) | Account 2530067 |
| Trading Deposits | \$2,092,064 | Accounts 1340018, 1340048 |
| Texas Excess Earnings | (\$2,453,476) | Account 2540052 |
| T.V. Pole Attachments | (\$831,313) | Account 2530050 |

1 Q. WHAT IS OTHER ELECTRIC PLANT ADJUSTMENTS – TURK PLANT
2 IMPAIRMENT?

3 A. Other Electric Plant Adjustments – Turk Plant Impairment represents the amount
4 excluded from rate base above the cost cap approved by the Commission in Docket
5 No. 33891 – Application of SWEPCO for a Certificate of Convenience and Necessity
6 Authorization for a Coal Fired Power Plant in Arkansas. In Docket No. 46449, the
7 Commission found that SWEPCO excluded the proper amount from its Texas Retail
8 rate base (Finding of Facts 72 – 77).

9 Q. WHAT IS OTHER ELECTRIC PLANT ADJUSTMENTS – TRANS AND DIST
10 VEG MGMT COST WRITE-OFFS?

11 A. Trans and Dist Veg Mgmt Cost Write-Off represent the Texas retail amounts of
12 vegetation management costs capitalized under the Company's vegetation
13 management accounting policy that the Commission found was not proper in Docket
14 No. 46449 (Finding of Facts 110 – 119). Because of this ruling, SWEPCO wrote-off
15 the amount capitalized to CWIP and recorded the write-offs to FERC Account 116.
16 Because transmission plant is allocated to SWEPCO's various jurisdictions, overall
17 SWEPCO continues to follow their vegetation management accounting policy. Texas
18 is the only jurisdiction to require SWEPCO not follow its internal accounting policy.
19 Thus, SWEPCO continues to capitalize vegetation management costs and records an
20 entry in FERC Account 116 to off-set the amount recorded to plant in service.
21 Regarding distribution SWEPCO began expensing the applicable Texas retail
22 vegetation management expenses after it received the PUCT Order in Docket No.

1 46449. SWEPCO witness Aaron directly assigns these FERC Account 116 balances
2 and reduces the SWEPCO Texas retail rate base. This process of using FERC
3 Account 116 is similar to the Turk impairment where the only jurisdiction to impose a
4 cost cap was Texas. Using the FERC Account 116 allows SWEPCO to specifically
5 identify unique jurisdictional items and directly assign to the appropriate jurisdiction.

6 Q. WHAT IS OTHER ELECTRIC PLANT ADJUSTMENTS – SERP, CWIP
7 INCENTIVE AND RWIP INCENTIVE WRITE-OFFS?

8 A. These items represent the Texas retail portion of Supplemental Employee Retirement
9 Plan (SERP) and capitalized incentives recorded to plant in service that the
10 Commission disallowed in Docket No. 46449 (Finding of Facts 128 – 135) along with
11 the applicable amount capitalized since June 30, 2016 (i.e., test year end in Docket
12 No. 46449). Because of this ruling, SWEPCO wrote-off the amount capitalized to
13 CWIP and recorded the write-offs to FERC Account 116. Because other jurisdictions
14 do not treat capitalized incentives in a similar manner as Texas, SWEPCO continued
15 to capitalize SERP and incentives. Thus, SWEPCO records an entry in FERC
16 Account 116 to offset the amounts recorded to plant in service. SWEPCO witness
17 Aaron directly assigns these FERC Account 116 balances to reduce the SWEPCO
18 Texas retail rate base. This process of using FERC Account 116 is similar to the Turk
19 impairment where the only jurisdiction to impose a cost cap was Texas. Using the
20 FERC Account 116 allows SWEPCO to specifically identify unique jurisdictional
21 items and directly assign to the appropriate jurisdiction.

1 Q. WERE THE AMOUNTS RECORDED IN FERC ACCOUNT 116 CONSISTENT
2 WITH THE COMMISSION'S ORDER IN DOCKET NO. 46449?

3 A. Yes. SWEPCO records the entire Texas Retail SERP to FERC Account 116.
4 Regarding annual or short-term incentives, SWEPCO calculated the Texas retail
5 portion in the same manner as Docket No. 46449 where SWEPCO removed all the
6 financial measures and 50% of the funding mechanism was applied to the remaining
7 amount to be recorded in FERC Account 116. Regarding long-term incentives,
8 SWEPCO records the entire Texas retail portion of performance shares to FERC
9 Account 116.

10 Q. ARE CUSTOMER DEPOSITS, IPP CREDITS, TRADING DEPOSITS, TEXAS
11 EXCESS EARNINGS AND T.V. POLE ATTACHMENTS TEST YEAR END
12 BALANCES?

13 A. Yes, they are. Overall, these items reduce SWEPCO's rate base.

14 Q. CAN YOU PROVIDE A BRIEF EXPLANATION OF THE ASC 715-30
15 MEDICARE SUBSIDY REGULATORY ASSET?

16 A. Yes, this regulatory asset is unrealized prior tax benefits related to SWEPCO's retiree
17 prescription drug cost reimbursement plan. It represents the remaining deferral of
18 prior tax deductions for retiree prescription drug costs to be reimbursed through the
19 Medicare Part D subsidies that SWEPCO had not realized at the time the federal
20 government changed the tax law ceasing to allow a tax deduction for these related
21 retiree prescription drug costs. This regulatory asset was included in Docket
22 No. 40443 and 46449.

1 Q. DOES THE COST OF SERVICE REFLECT THE AMORTIZATION OF THIS
2 REGULATORY ASSET?

3 A. Yes, it does in per book expense. The decline in the plan benefit obligation from the
4 switch to Employer Group Waiver Plan created an actuarial gain which SWEPCO
5 amortizes to postretirement benefit cost (ASC 715-30) over approximately 12 years.
6 Accordingly, SWEPCO amortizes the related postretirement benefit regulatory asset
7 for this unrealized retiree medical cost tax benefit over 12 years as filed in Docket No.
8 40443 and 46449.

9 Q. WHAT IS THE PURPOSE OF ADJUSTMENT B-1.5.1 FOR LEASED PLANT?

10 A. Adjustment B-1.5.1 decreases rate base \$74,777,296 to remove property under lease
11 and the associated accumulated provision for property under lease from SWEPCO's
12 rate base since the lease rental payments are included in operating expense.

13 Q. WHAT IS THE PURPOSE OF ADJUSTMENT B-1.5.2 FOR CWIP?

14 A. Adjustment B-1.5.2 excludes the entirety of SWEPCO's \$226,392,894 test year
15 ending CWIP balance from rate base.

16 Q. WHAT IS THE PURPOSE OF ADJUSTMENT B-1.5.3 FOR MATERIALS AND
17 SUPPLIES?

18 A. Adjustment B-1.5.3 reflects a \$913,340 decrease to the end of the test year materials
19 and supplies balance to include the 13-month average balance in rate base. Schedule
20 E-1 shows the 13-month average balance.

21 Q. PLEASE DESCRIBE ADJUSTMENT B-1.5.4 FOR ACCUMULATED
22 DEPRECIATION.

1 A. Adjustment B-1.5.4 records a \$224,168,719 decrease to accumulated depreciation that
2 SWEPCO would have booked if all of SWEPCO's plant investment were subject to
3 the PUC jurisdiction and SWEPCO had calculated depreciation expense utilizing the
4 PUC approved depreciation rates. Because of the multi-jurisdictional nature of
5 SWEPCO's operations, SWEPCO's records depreciation expense based on a
6 composite rate reflecting the rates approved by the PUC, the LPSC and the APSC.
7 This also results in a blended accumulated depreciation balance. The adjustment is
8 the difference between the amount actually recorded as the depreciation provision and
9 the depreciation provision if SWEPCO applied the PUC approved depreciation rates
10 to all of SWEPCO's depreciable plant. SWEPCO's pro forma adjustment corrects
11 this blended accumulated depreciation balance for ratemaking purposes to reflect the
12 depreciation rates approved by the PUC.

13 Q. PLEASE DESCRIBE ADJUSTMENTS B-1.5.5 AND B-1.5.6.

14 A. These adjustments remove certain investments recorded on SWEPCO's books.
15 Adjustment B-1.5.5 excludes \$823,186 of plant held for future use from rate base.
16 This leaves in \$220,915 related to a Texas distribution substation that SWEPCO
17 expects to place in service in 2020. Adjustment B-1.5.6 excludes from rate base an
18 \$18,043,976 plant acquisition adjustment and the related (\$18,043,976) accumulated
19 provision for plant acquisition adjustments. This acquisition adjustment represents
20 the purchase of a distribution system in Louisiana.

21 Q. WHAT IS THE PURPOSE OF ADJUSTMENT B-1.5.7 FOR FUEL
22 INVENTORIES?

1 A. Adjustment B-1.5.7 reflects a \$19,211,748 decrease to test year-end fuel inventory
2 balances to adjust rate base to a 13-month average balance of oil inventory and the
3 target level of tons for coal and lignite. SWEPCO witness Jeffries discusses the
4 adjustment for coal and lignite tons to their target level.

5 Q. WHAT IS THE PURPOSE OF ADJUSTMENT B-1.5.8 FOR PREPAID PENSION
6 AND PREPAID OPEB ASSETS?

7 A. Adjustment B-1.5.8 reflects an \$83,452,444 increase to include the "expense portion"
8 of SWEPCO's prepaid pension and OPEBs in rate base; that is, the portion of the
9 prepayment that relates to pension and OPEB costs that are not anticipated to be
10 capitalized. SWEPCO bases the expense portion on the test year actual 69.71%
11 payroll expense ratio. This treatment is consistent with the Final Order in PUC
12 Docket Nos. 33309, 40443 and 46449 in which the Commission ruled that only the
13 "expense portion" was properly included in rate base.

14 Q. PLEASE DESCRIBE ADJUSTMENT B-1.5.9 TO ACCUMULATED DEFERRED
15 INCOME TAXES (ADIT).

16 A. Adjustment B-1.5.9 reflects adjustments totaling \$291,719,533 to decrease ADIT.
17 Mr. Hodgson discusses and supports these ADIT adjustments in his direct testimony.

18 Q. WHAT IS THE PURPOSE OF ADJUSTMENT B-1.5.10 FOR PLANT IN SERVICE
19 AFUDC?

20 A. Adjustment B-1.5.10 increases plant in service \$59,960,988 and increases
21 accumulated depreciation \$4,446,089 for AFUDC due to jurisdictional differences. In
22 total, this adjustment increases rate base by \$55,514,899. SWEPCO records AFUDC

1 on a company wide basis and does not maintain separate book jurisdictional amounts.
2 In past rate cases before the PUC, the LPSC and the APSC, different levels of CWIP
3 have been included in rate base and different AFUDC rate calculations have resulted
4 from rate orders in these jurisdictions, including different return on equity. This
5 adjustment to the amount of AFUDC recorded on SWEPCO's books (and included in
6 plant in service) reflects the amount of AFUDC that SWEPCO would have recorded
7 if all of SWEPCO's operations were subject to the jurisdiction the PUC. SWEPCO's
8 pro forma adjustment corrects the blended AFUDC amounts recorded in plant in
9 service and accumulated depreciation for ratemaking purposes to reflect the past
10 CWIP in rate base treatment approved by the PUC.

11 Q. WHAT IS THE PURPOSE OF ADJUSTMENT B-1.5.11 FOR ACCUMULATED
12 DEPRECIATION (SFAS 143 OR ASC 410)?

13 A. Adjustment B-1.5.11 increases accumulated depreciation \$13,389,353 to reinstate
14 SWEPCO's cost of removal reserve in accumulated depreciation. SWEPCO is
15 including the recovery of removal costs in its depreciation rates developed by
16 Mr. Cash. As a consequence of the 1999 restructuring legislation in Texas and the
17 resulting discontinuance of SFAS 71 (ASC 980) in September 1999 for SWEPCO's
18 generation portion of its business, and the implementation of SFAS 143 (ASC 410)
19 effective January 1, 2003, SWEPCO expensed removal costs as incurred rather than
20 accruing them over the life of the plant through depreciation rates. With the 2009
21 amendment to the 1999 Restructuring Legislation, SWEPCO recovers removal costs
22 as a component of its depreciation rates. This adjustment to accumulated depreciation